

**STATEMENT OF**

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U.S. DEPARTMENT OF TRANSPORTATION**

**HEARING BEFORE**

**THE SUBCOMMITTEE ON WATER RESOURCES, TRANSPORTATION,  
AND INFRASTRUCTURE  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
UNITED STATES SENATE**

**"THE FEDERAL-AID HIGHWAY PROGRAM"**

**Idaho Falls, Idaho**

**August 22, 1989**

Good morning, Mr. Chairman. I am Galen Reser, Assistant Secretary for Governmental Affairs for the U. S. Department of Transportation. I am pleased to be here this morning to discuss the Federal-Aid Highway Program. While the Federal-Aid Highway Program has contributed greatly to the construction and maintenance of a vital part of our nation's transportation system, we are now approaching the time when we will have to decide on whether to continue the highway program as it has been or reshape and redirect it to conform to a changing future. The Federal Highway Administration has been conducting numerous analytical studies over the past several months in an attempt to make that determination. This effort, which is the basis for the development of a legislative proposal, included an examination of the role the Federal government should take in the future with respect to highways. As you might expect, this raised many questions, such as: Which highways should the Federal

government be concerned with? What is the appropriate level of Federal assistance? How much can and will the States do on their own? Certainly, in answering these questions, we have developed a perspective about how the next highway program might look.

However, we recognize that the direction the program should take is integrally related to the National Transportation Policy, which is now being developed by the Department of Transportation. On July 31, 1989, we released our first major product, a report, Volume 1 of Moving America: New Directions, New Opportunities, entitled, Building the National Transportation Policy, which sets the groundwork for developing our National Transportation Policy.

As Secretary of Transportation Samuel K. Skinner has said, "The report, Building the National Transportation Policy, assesses the conditions and trends in the markets served by transportation, identifies the external factors that affect transportation, and sets out key issues for discussion and negotiation."

The report also highlights the nation's growth trends and current investment priorities in transportation. America's population is expected to grow by 44 million people by the year 2020, and will be an older society with the average age of 40.2 years in 2020 compared to the current average age of 32.1 years.

According to the report, America spends \$800 billion annually on freight and passenger transportation services, a vast majority coming from the private sector.

We identify in our report the following nine areas as major concerns among transportation officials across the nation: infrastructure, safety, national security, international trade, growth in demand, equity and access, the environment, dependence on foreign oil, and budgetary constraints.

Secretary Skinner is looking forward to the results of the public hearing and information gathering phase of the development of the National Transportation Policy. We have organized this effort in a non-traditional way. Rather than looking at transportation along the usual "modal" lines -- rail, air, highway, water -- we are gathering information along market-oriented lines. Six working groups, including those interested in urban/suburban and rural issues, and intercity and international transportation, are currently holding hearings and workshops across the country through September 12, in order to gather information that will assist in the development of the policy. A hearing was held in Moscow, Idaho on July 25, 1989, to discuss rural transportation issues.

It is clear, Mr. Chairman, that the demand for mobility by the American people will continue to grow, and our highway and roadway systems will continue to play a significant role in providing for that mobility. Our department will work closely with you and your committee to develop a national policy that considers the nation's transportation needs both rural and urban

and incorporates the appropriate role of highways in our transportation system. We also will work with you in preparing legislation that will reshape the Federal-aid highway program so it can respond more quickly and fully to increasing and changing demands. There is much to do before we complete all the details necessary for a comprehensive bill. We are interested, as you are, in developing apportionment formulas that will treat all the States fairly and equitably. This is not easy to do and will eventually require some compromises. In another area, we are concerned about the effect alternative fuels and their exemptions will have on revenues coming into the Highway Trust Fund.

The majority of Highway Trust Fund revenues will have to be directed towards those highway and bridge facilities that serve the most important interstate or interregional functions. State and local governments, possibly developing new and innovative means of financing, will be called upon increasingly to meet needs on lower priority roads and bridges.

Transportation needs in urban and rural areas are different, indicative of the unique problems and opportunities available in

each. In rural areas, for example, there are major concerns for access to keep the more isolated rural communities in social and economic contact with the rest of the country. There is concern with the replacement of aging bridges, mostly off-system low volume bridges. There is concern in some areas with rural transit needs, providing transportation service for those unable to afford or to operate private vehicles. In urban areas, highway congestion is the most widely voiced concern, particularly in rapidly growing suburban areas. The availability of transit is also a concern, since this may be the only option for broad segments of urban and suburban dwellers. In many ways, the issues and specific problems seem to be separate, but in another respect, they are the same -- the need for safe, efficient, and reliable transportation options to provide access and ensure future mobility for a growing American population and changing economy.

Commercial and agricultural transportation concerns center around the access, connection, and regulation of transportation systems. Within the trucking industry, access to and inter-connection of, a system of highways and bridges to support standard vehicle size and weight configurations is of paramount importance. Regarding system usage, truckers are concerned with the proliferation of regulations, and the time spent in complying with a variety of State procedures and requirements. There is also concern with variability in fuel taxes, registration and licensing, all of which contribute, in the industry's eyes, to a

loss of industry productivity and an increase in costs. We will address these concerns in our developing National Transportation Policy.

That concludes my prepared remarks. I would be pleased to answer any questions you may have.