

**STATEMENT OF
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**BEFORE THE
SENATE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION**

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Good morning Mr. Chairman, Members of the Committee; thank you for providing me this opportunity to testify before the Committee on behalf of the Federal Highway Administration. This is my first appearance before you but I trust it will not be my last and I look forward to working with the Subcommittee to resolve the Nation's highway transportation problems. I consider it an honor and a pleasure to have been intimately involved in developing the Secretary's National Transportation Policy which was released earlier this year. This policy will serve as a framework for addressing needs in all the various modes of transportation both short and long term. I look forward to the implementation of this policy as it applies to the Nation's highway program. I am pleased to introduce the following witnesses who will be assisting in this hearing today:

OVERVIEW

The Federal Highway Administration budget proposal for FY 1991, developed in accord with the Surface Transportation and Uniform Relocation Assistance Act, 1987 (STURAA), and the Commercial Motor Vehicle Safety Act of 1986, is aimed to meet infrastructure needs while achieving overall deficit targets. We view our FY 1991 request as a bridge between the last year of authorization under the 1987 Act and reauthorization legislation which will address highway needs in FY 1992 and beyond.

As we look to a cohesive transportation policy, one primary objective of this budget is to lay the initial groundwork for the preservation, enhancement and management of the transportation infrastructure. This issue is fully explored under the National Transportation Policy recently released and will be reflected in our Highway reauthorization legislation. However, our immediate goal is to meet the demands of the traveling public while maintaining fiscal restraint. I believe the budget before you will accomplish these goals.

PROGRAM HIGHLIGHTS

Before discussing the FY 1991 budget, I would like to touch upon past program accomplishments.

- * **Interstate System** construction is essentially complete. As of December 31, 1989 42,436 miles are open, 306 miles are under construction and 56 miles are yet to be constructed. \$2.5 billion was obligated during FY 1989; we anticipate a comparable program level in FY 1990. During the calendar year, 432 miles were opened to traffic. Virtually the entire system will be open to traffic or have engineering underway or under construction this fiscal year.

- * **Interstate 4R**, our resurfacing, restoration, rehabilitation and reconstruction program continues to be a high priority of this administration with FY 1989 obligations totalling \$2.9 billion and anticipated FY 1990 obligations of \$2.8 billion.

The overall condition of the Interstate System pavement has improved since passage of the 1982 gas tax. For example, in 1983 14.5 percent of Interstate System pavement was rated poor, and our most recent

data indicates 11.5 percent of the Interstate System pavement was given a poor rating. However, the pavement condition on the rural portion of the Interstate System declined slightly between 1985 and 1987. Further, the performance (ability to move traffic) of the Interstate System has declined simply due to increased usage of the overall system, i.e., peak hour usage in urban areas under congested conditions increased from 54 percent to 65 percent between 1983 and 1987.

* **Bridge Replacement and Restoration:** The States are now making efforts to implement bridge management programs designed to identify deficient bridges that may be hazardous to public safety so that replacement and rehabilitation can occur in a timely fashion. We recognize the need for a continuing aggressive bridge program to address this growing concern. We believe we have a strong program evidenced by FY 1989 obligations of \$1.5 billion exceeding the previous year by almost \$200 million. In FY 1990, we expect a \$1.5 billion program.

* **Highway Safety:** We are pleased to report that the highway fatality rate continues to decline with a 37 percent rate decrease under the urban portion of the Interstate System from 1980 to 1987. Under the rural portion of the Interstate System there was also a decline in the fatality rate of 15 percent during the same period. Many factors are attributable to this decline including highway geometrics, highway design, increased law enforcement etc..

Another area of Highway Safety accomplishments were the 1,202 projects which were implemented under the rail-highway crossings

program and 629 projects under the hazard elimination program. These types of programs facilitate enhancement of safety between motorized vehicles and the nation's rail system.

Program obligations from earmarked safety construction funds totalled \$319 million during FY 1989 with an estimated \$300 million during FY 1990.

* **Motor Carrier Safety** program and enforcement enhancements are enabling us to continue our program of ensuring the safe transport of goods and people over the Nation's highways. As an indicator of progress, I would note that both enforcement cases and penalties nearly doubled in FY 1989 over FY 1988. In 1989 we conducted 9,700 safety reviews and 8,900 compliance reviews while the states completed 1.3 million driver and vehicle inspections. In FY 1990, we are adding 185 safety specialists and support staff to help bolster the number of carrier reviews.

KEY ELEMENTS OF THE FY 1991 BUDGET

The FY 1991 Federal Highway Administration budget contains funding requests in five program areas; Federal Aid Highways, Highway Related Safety Grants, Motor Carrier Safety, Motor Carrier Safety Grants and University Transportation Centers. Our proposal includes budget authority of \$14.2 billion, obligations of \$13.3 billion and outlays totaling \$14.0 billion.

I would now like to take this opportunity to review each of these program areas along with two limitation accounts, General Operating Expenses and the Right of Way Revolving Fund.

FEDERAL AID HIGHWAYS

This trust funded program constitutes the largest segment of our budget with a proposed obligation limitation for FY 1991 of \$12.013 billion. This obligation level, although slightly less than the limitation enacted for FY 1990, is over 6% higher than the limitation we proposed to the Congress last year. This limitation excludes an estimated \$1.2 billion of obligations for those programs which we propose for exemption. These exempt programs are: Emergency Relief, Minimum Allocation, Alaska Highway as well as obligations from the 1989 Federal Disaster Assistance appropriation.

Along with the aforementioned program level, we request a \$13.770 billion liquidating cash appropriation for FY 1991 which is necessary to assure sufficient cash to reimburse the States for this program.

GENERAL OPERATING EXPENSES

With the exception of Motor Carrier Safety activities, the General Operating Expenses account controls spending for essentially all of Federal Highway's administrative costs such as salaries, travel, equipment purchases, etc., research and development, and technology transfer.

Obligations for this account are included within the Federal Aid Highway obligation limitation with \$264.5 million requested for FY 1991, some \$31.2 million over the enacted 1990 limitation.

Some of the more significant changes in our General Operating Expenses budget for FY 1991 include: (1) restructuring some no-year and other technical programs into a "Highway, Science and Technology" program for which we are requesting an \$18.0 million increase including almost

\$11 million for a significant expansion of our Intelligent Vehicle/Highway Systems and \$3 million for the Advanced Highway Simulator; (2) requesting \$2 million for the Tax Evasion Project which would expand our \$500 thousand effort initiated in FY 1990; (3) increasing our Minority Business Enterprise Supportive Services program by \$2.3 million to \$7.9 million; and (4) adjustments-to-base and built-in changes of \$8.7 million including \$5.5 million for FY 1990 and FY 1991 pay adjustments.

MOTOR CARRIER SAFETY

Under this program, FHWA establishes and enforces minimum Federal standards for operating Commercial Motor Vehicles in interstate and foreign commerce. A \$40.7 million appropriation for FY 1991 is requested for this program. This funding level represents a \$7.4 million increase over the amounts appropriated for FY 1990.

Some of the more significant changes in our Motor Carrier Safety budget for FY 1991 include: (1) increasing ADP support by \$.9 million and ADP equipment by \$.3 million. These ADP increases will result in an improved ability to monitor carrier performance and identify carriers for safety and compliance review; and (2) increasing motor carrier safety research by \$.5 million. These increases will allow for a balanced research effort including \$.5 million for driver fatigue and alertness research; and (3) a net increase of \$5.6 million for adjustments-to-base and built-in changes, including \$3.0 million annualization of the 185 new positions approved by Congress for FY 1990.

The key to safety enforcement activities in the motor carrier industry is the ability to conduct reviews of motor carriers' compliance with Federal regulations. In addition, increased emphasis is being placed on the safe

highway transport of hazardous materials. The additional inspectors and support staff authorized for FY 1990, who will be in place and increasingly effective in FY, 1991, will greatly enhance these safety efforts.

MOTOR CARRIER SAFETY GRANTS

The Motor Carrier Safety Assistance Program (MCSAP) was established under the Surface Transportation Assistance Act of 1982. Under this program, FHWA awards grants and technical assistance to the states to conduct roadside inspections of commercial vehicles and their drivers.

For FY 1991, a \$60 million limitation on obligations is proposed for the two program areas authorized, Basic Grants to States (\$46.7 million) and the Commercial Driver's License program (\$13 million). The remaining \$300 thousand limitation is for administrative support of the program for such activities as field demonstrations and program promotion.

HIGHWAY RELATED SAFETY GRANTS

The Highway Related Safety Grants program provides funds to states for programs designed to improve highway safety at the state and local level. For FY 1991, FHWA is proposing a \$10 million obligation limitation, which is the same as the amount authorized for this program in FY 1991. To meet cash payments from new and prior obligations, a \$10 million liquidating cash appropriation is requested.

UNIVERSITY TRANSPORTATION CENTERS

This program, which was authorized under the Surface Transportation and Uniform Relocation Assistance Act of 1987, calls for the establishment of academic transportation centers in each of the ten Federal regions. These

centers are to become a focal point and attractor of the region's best talent, resources, and facilities for promoting individual initiatives in and across transportation modes and disciplines. In FY 1991, a \$5 million appropriation is requested for funding the FHWA share of these institutional activities.

RIGHT-OF-WAY REVOLVING FUND

The program objective of the Right-of-Way Revolving Fund is to allow states to acquire highway rights of way significantly in advance of construction by providing interest free loans to states. To ensure continued prudent management of this Federal program, FHWA proposes a limitation on direct loans of \$47.850 million.

CONCLUSION

In conclusion, we have put together a responsible budget both in terms of fiscal restraint and meeting the critical requirements of the highway infrastructure.

The total highway budget for FY 1991 complements the Department's National Transportation Policy, supporting goals such as improved highway safety, minimizing user fee evasion, ensuring a healthy motor carrier industry, emphasizing environmental concerns and rehabilitating the highway network.

Once again, thank you for this opportunity to testify today on our FY 1991 budget request program. I would be pleased to address any questions you may have.