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OVERSIGHT OF THE SURFACE TRANSPORTATION
ASSISTANCE ACT OF 1978 (P.L. 95-599)

GOVERNMENT

Storage

(96-3)

HEARINGS
BEFORE THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
OF THE
COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
NINETY-SIXTH CONGRESS
FIRST SESSION

MARCH 14 AND 19, 1979

Printed for the use of the
Committee on Public Works and Transportation

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OVERSIGHT OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978 (PUBLIC LAW 95-599)

WEDNESDAY, MARCH 14, 1979

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C.

The subcommittee met, pursuant to notice, in room 2253, Rayburn House Office Building, at 10:06 a.m., Hon. James J. Howard (chairman of the subcommittee) presiding.

Mr. HOWARD. The Subcommittee on Surface Transportation of the Committee on Public Works and Transportation will come to order.

First we would like to welcome all the members of the subcommittee. We will have in attendance some new members of the subcommittee. We are very happy with the caliber of the new members, both on the majority and minority side, who have been selected to serve on our full committee and have requested and chosen the Subcommittee on Surface Transportation as a subcommittee with which they wish to be involved.

Today we begin what may be one of the most important series of hearings we have ever conducted in this subcommittee. During the 95th Congress we completed work and brought to fruition the most comprehensive piece of transportation legislation since the 1950's, the Surface Transportation Assistance Act of 1978, Public Law 95-599.

That act was a culmination of more than 3 years of hard work by the subcommittee members and by our staff. For the first time in modern history we combined highway, highway safety, and mass transportation authorizations in a single legislative vehicle to encourage achieving the goal of intermodal cooperation in the devastating and divisive competition which had theretofore existed among the modes.

Equally, or perhaps even more important, is the fact that we also for the first time authorized Federal assistance over a period of 4 years, through fiscal year 1982. That extended period of authorization doubled the traditional 2-year period and was devised in order to give this committee an opportunity to exercise more fully its vital role of oversight.

There has been a continuing debate between the legislative and executive branches over who should take the leadership in finding workable solutions to pressing national problems, including the transportation field. We have attempted to work within a frame-

work of cooperation with the administration, because we have felt that our goals were similar and that by working together we could achieve more quickly the necessary solutions to these transportation problems.

With the 4-year period of authorization under Public Law 95-599, we will have the time and ability to carefully follow the administration's implementation of our legislative enactments, and their budget processes as well.

These hearings this morning will be followed up with a series of witnesses on next Monday afternoon.

At this time I wish to welcome back to the subcommittee and to thank him for all of the work and effort and the vital role that he played, along with his minority members, in the enactment of the legislation last year, our good friend from Pennsylvania, the Honorable Bud Shuster.

Mr. SHUSTER. Thank you very much, Mr. Chairman.

Let me join with Chairman Howard, Mr. Bowers, in welcoming you here this morning. We are anxious to hear your testimony.

The process we are beginning today is a very important one. All too often legislative committees lose track of their programs once they become law, and historically, this Committee has been no great exception. By inviting you and the other modal administrators to come up here and brief us on your implementation plan, we want to keep up with how the programs are going to make certain that they are consistent with legislative intent.

I don't want to give the impression that we have ever expected otherwise, particularly with the Federal Highway Administration. The Federal Highway Administration has had an outstanding track record of carrying out legislative intent, and we have no serious quarrel with you. We are concerned, however, about the way some programs are being treated by the other Administrators, particularly at the Secretarial level.

The interpretation given to the 55 mile per hour speed limit enforcement program is a good example of the kind of problems we hope to avoid in the future through this process. Indeed, the Carter administration's transportation budget seems to proceed as if the Congress did not enact any statute last year with regard to surface transportation. They seem to have completely ignored many of the programs which the Congress in its wisdom felt were significant.

One area which we will want to explore at length is the budget, and I would like to make several observations in that respect. First I would like to express my support for the programs authorized by the Surface Transportation Assistance Act of 1978. That act was the product of years of hard work by a lot of people, and my support and enthusiasm is unwavering.

However, it is pretty clear that the belt-tightening process will not escape this committee. Unfortunately, they have to postpone the full implementation of some programs out of concern for a balanced budget. Unquestionably, even the full authorized levels in our bill fall far short of the needs.

Data produced by the National Transportation Policy Commission, which I chaired, indicates that capital needs alone to maintain America's transportation systems, both private and public,

over the next 20 years could cost as much as \$4 trillion. The harsh reality is that there just isn't enough money to go around.

The question arises, therefore, as to which programs either can tolerate interruption or, in the case of new programs, can be postponed without tragic results. Your testimony today will help us tackle that question and others, and I thank you very much for being here.

Mr. HOWARD. Thank you, Mr. Shuster.

I would also like to recognize and welcome back to the subcommittee a member of our full committee, who has served on other subcommittees over the past few years, the gentleman from Arkansas, Mr. Hammerschmidt. We are, indeed, fortunate to have his services back on this subcommittee.

I also want to welcome to the subcommittee one of our new members, the gentleman from Pennsylvania, Mr. Atkinson, from the southwestern part of Pennsylvania, who I am sure is going to be doing a great deal of oversight on the bridge programs, among other things.

Also, of course, we are happy to have the ranking minority member of the full committee with us, the gentleman from Ohio, Mr. Harsha.

Before proceeding further, one of the new members of our subcommittee, the gentlewoman from New York, Mrs. Ferraro, who is beginning to appreciate the workload of this committee and of the House, finds she at the same time must be at another subcommittee meeting, that of Water Resources.

She has submitted a statement, without objection, her statement will be placed in the record at this point.

[The following was received for the record:]

STATEMENT OF HON. GERALDINE FERRARO, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF NEW YORK

Mr. Chairman, as one who has lived in our Nation's most populous urban area most of my life, I am very much aware of the transportation needs and concerns of those who must depend on urban mass transit programs and urban highways to meet their daily transportation requirements. With this personal background, and being mindful of the important role that mass transit plays in the lives of my constituents, it was only natural for me to seek a position on this subcommittee.

I am very pleased, Mr. Chairman, to have this opportunity to work with you and my colleagues in our efforts to improve transportation opportunities for our Nation's citizens, and believe that the legislative oversight hearings we begin today on the Surface Transportation Assistance Act of 1978 will help us further these goals. I am also pleased that time will be devoted to the Department of Transportation's budget recommendations for the coming fiscal year.

As these hearings progress, I hope my colleagues will pay particular attention to the Department of Transportation's budgetary recommendations as they relate to urban mass transit programs contained in Title III. I am particularly concerned about Section 5 operating assistance and DOT's recommendation that \$850 million be appropriated rather than the \$900 million authorized. I am also concerned that the Department of Transportation did not request full funding for the Section 3 Capital Assistance program which is vitally necessary for the City of New York to continue to upgrade the physical integrity of its mass transit system.

These are two programs that concern me, and it is my hope that this subcommittee will spend some time discussing them to insure that the legislation developed last year is being implemented according to the will of Congress. Thank you, Mr. Chairman.

Mr. HOWARD. Before we hear from our witness, are there any brief statements any of the members of the subcommittee would like to make?

[No response.]

Mr. HOWARD. If not, we are very, very happy to start this set of hearings with the appearance of the Honorable Karl Bowers, the Administrator of the Federal Highway Administration, in our oversight process.

Mr. Bowers, we are pleased to welcome you to the subcommittee. We do have a copy of your statement and, without objection, that will be made a part of the record at this point.

[The following was received for the record:]

STATEMENT OF KARL S. BOWERS, FEDERAL HIGHWAY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

I am here today to discuss with you the Federal Highway Administration (FHWA)'s progress in carrying out the provisions of the Surface Transportation Assistance Act of 1978 (STAA/1978 Act). In his letter of March 6, Chairman Johnson asked that we present information to you concerning the schedule and means for effectuating the provisions of the Act, the budget requests for fiscal years 1979 and 1980, and the possible need for technical amendments. Since we are submitting all of this material to you in written form, I would like briefly to discuss some of the highlights with you now. Then, our further discussion can be dictated by your interests and questions.

Last fall when the Surface Transportation Assistance Act was passed and signed into law, we all felt that it represented a significant milestone in Federal assistance for the Nation's transportation needs. It provides a renewed impetus for accomplishing such significant tasks as completing and rehabilitating the Interstate System, improving the Nation's deteriorating bridges, initiating the new rural and small urban program, consolidating the safety construction programs, improving enforcement of the Nation's vehicle weight and speed limit laws, and developing energy saving programs.

In total the Act contains 117 sections. Of these the FHWA has the primary responsibility for implementing 77. By our count, 29 of the sections, including 9 self-implementing ones, have been fully implemented. Out of the 48 remaining sections, 14 have provisions that are fully operational. The only remaining task is to formalize the changes during our normal directives review process. Another 12 sections require reports to Congress that are due on varying dates over the next three years.

As you can see, in a numerical sense we have been quite successful in quickly implementing the Act. With regard to the remaining 22 sections of the Act, we do not foresee any problems that will prevent timely implementation except in a few cases.

With regard to the distribution of funds authorized by the Act we are particularly proud of the way in which we were able to promptly distribute funds to the States. On November 8, 1978, two days after the Act was signed, we apportioned the Interstate, primary, secondary, urban, and bridge funds. Within a month the other principal apportionments, including those involving new formulas, were made.

In addition we have acted promptly in distributing the major discretionary funds authorized by the Act. As of last Friday, March 9, 1979, \$417 million of discretionary Interstate funds had been allocated to the States. All of the FY 1979 discretionary priority primary funds were allocated in January.

IMPLEMENTATION

1. *The Interstate System*

The STAA had as one of its major goals the accelerated completion of the Interstate System. We believe that those provisions more than any other recent enactments will expedite the System's completion which is so necessary in this period when costs have risen so swiftly. In order to emphasize the need to expedite completion of the Interstate System, we are going to issue a directive to our Division Offices in each State. This notice will advise the Divisions of ways to emphasize this important area in their contacts with the States. Also, it advises them that the Washington Headquarters' Office plans to take a more active role in monitoring this program, and specifically requests information necessary for carrying out that function.

Apportionments for the basic Interstate and 3/R program were made quickly. Also, we have already allocated approximately \$417 million of the total Interstate Discretionary Fund of \$1.409 billion. These allocations were made to Alabama, Florida, Georgia, Indiana, Missouri, Montana, Nevada, and West Virginia.

Under section 104(b)(1) of the 1978 Act, where a State's minimum one-half percent Interstate apportionment exceeds its needs and where that sum also exceeds the cost of their Interstate 3-R work, the State may use the excess amounts for Primary, Secondary or Urban System projects or for hazard elimination projects. Thus far, one State has taken advantage of this provision. Three States took advantage of a similar provision in the prior Act.

Regulations on Interstate Substitutions under 23 U.S.C. 103(e)(4) will be revised to reflect the 1978 Act amendments. Two withdrawal proposal requests have been received since the enactment of the amendments and are now in the process of approval.

Section 116(c) of the 1978 Act directed the Secretary to issue guidelines to insure proper maintenance of the Interstate System. A task force is currently drafting these standards which are to be issued by October of this year.

2. Bridges

Another key element of the 1978 Act is the expanded Bridge Program. I am pleased to report that the implementation of section 124 of this Act is moving very quickly. On November 8, 1978, the States were notified of the availability of funds for this program and this money is presently in use by the States.

The administration of the apportioned funds is presently envisioned chiefly as a continuation of the ongoing Special Bridge Replacement Program with a minimum of revised regulations to accommodate the expanded program. We intend to keep the regulations necessary to implement this section to a bare minimum. We have established an implementation plan for the use of discretionary funds. A number of States with deficient and functionally obsolete bridges have requested, and received approval for, necessary funding.

To date, a total of \$29,548,000 has been allocated for twelve bridges. Emphasis is also being placed on the inventory and inspection of off-system bridges with periodic issuance of advisory and training material. We estimate that there are approximately 300,000 off-system bridges. Reports have been received on approximately 100,000 of that estimated total.

I would also like to take this opportunity to report to you that the implementation of section 147 of the 1978 Act, Acceleration of Bridge Projects, is proceeding well. In fulfillment of the expressed intent and expectation of the conferees, the States of Kentucky, West Virginia, and Ohio, have been notified that the U.S. Grant Bridge between Ohio and Kentucky, and the Ohio River Bridge at Huntington between Ohio and West Virginia have been selected to demonstrate the feasibility of reducing the time required to replace unsafe bridges. The FHWA Washington Headquarters Office requested and received financing schedules for these projects. Advisory memoranda have been issued and FHWA expeditors have been selected for each project. Funds have been allocated for each project to the full extent requested or available.

3. Safety

Title II of the STAA is the "Highway Safety Act of 1978." The issue of highway safety has been, and is, of the utmost concern to the Department of Transportation. All Title II authorizations (Sec. 202) required to be distributed by statutory formula have been apportioned.

The Department strongly supports the 55 m.p.h. speed limit and we are greatly concerned about recent attempts by some states to repeal it. We have warned several states of the consequences of repeal. The 55 limit has resulted in energy savings and safety benefits. Ms. Claybrook will discuss at greater length section 205 of the 1978 Act, concerning the national maximum speed limit. However, I will mention that on December 12, 1978, emergency regulations implementing the speed monitoring requirements of this section for the period ending September 30, 1979, were published in the FEDERAL REGISTER. Work is currently progressing to develop a significant regulation which will provide for compliance with 23 U.S.C 141 (Enforcement of Requirements) for the period beginning October 1, 1979.

Section 207 of the Act, Highway Safety Programs, is jointly administered by FHWA and NHTSA. We are currently working closely with NHTSA in drafting a joint order to fully implement this section.

Title I of the 1978 Act also contains safety programs and these are being successfully implemented by FHWA. For section 127, which extends the Pavement Marking Demonstration Program through fiscal year 1981, an allocation method for FY 1979 funds has been determined and the funds have been allocated. (FHWA Notice N4510.83 issued on December 28, 1978.) A further notice is being prepared to prescribe an allocation method for fiscal years 1980 and 1981 funds.

The Hazard Elimination Program, section 168 (subsections (a), (b), and (c)), has been implemented through the publication of final regulations covering the High-

way Safety Improvement Program in 23 CFR Part 924. Further, the provisions of section 168(d) which amend 23 U.S.C 219 (Safer Off-System Roads), have been implemented through the publication of the final regulations concerning the Safer Off-System Roads Program in 23 CFR Part 922.

4. Vehicle size and weight

A major item of concern to both the Congress and the Department of Transportation is the issue of vehicle size and weight. As you are aware, our concerns center around the safety implications of vehicles of great size and weight as well as on the deleterious impact such vehicles have on our roads. In order to implement section 123 of the 1978 Act, a Notice of Proposed Rulemaking will be published in the Federal Register today. The regulations will require each State to develop a comprehensive process for vehicle weight enforcement. The DOT will exercise oversight by reviewing and approving State developed enforcement plans and by monitoring their operation throughout the year.

Section 123 of the Act also requires that the Department prepare an inventory of the systems that the States have established for granting special permits, and for assessing penalties for violations of the vehicle weights laws. The initial inventory is required to be completed by May 6, 1979.

In our analysis of this section, we have discovered the need for a technical amendment. I will discuss that need later with our thoughts on a possible resolution thereof to be submitted for your consideration.

Section 211 of the 1978 Act directs the Secretary of Transportation to conduct a study of oversized vehicles. A task force has been assigned to develop the report which must be submitted to the Congress and they have been meeting regularly. It is anticipated that this report will be submitted to Congress by May 6, 1979. The study of vehicle weight on the Interstate System mandated by section 161 of the Act is also underway.

5. Rural and small urban public transportation

The 1978 Act for the first time instituted a public transportation program for small urban and rural areas.

Section 313 of the 1978 Act amends the UMT Act of 1964 by providing Federal assistance for public transportation in nonurbanized areas (50,000 population or less).

Our implementation of this section has been initiated by publishing an emergency regulation on December 13. A letter has been sent to the Governors informing them of the program and requesting designating of a State agency to administer it. Coordination plans with other appropriate State agencies are being requested. The applicability of Section 13(c) of the UMT Act, which conditions Section 3 assistance upon arrangements protecting the interests of employees affected by such assistance, and which may be waived by the Secretary of Labor, is still being negotiated with the Department of Labor.

We hope to publish final regulations implementing this program this summer. We are continuing to work closely with the Department of Health, Education, and Welfare, and the Department of Labor to more efficiently and effectively deliver this program to localities.

In order to effectively assist the States in carrying out the small urban and rural public transportation program, FHWA and UMTA have initiated the development of a training program for Federal and State personnel who will be responsible for the program at the local levels. The training is intended to assist program managers in communicating existing technology, policies, and available assistance to interested parties. An additional training effort is being planned for potential system developers. This effort will cover the various aspects of planning, designing funding, and operating a small system.

FHWA'S 1980 BUDGET

You have requested that the Department's testimony cover budget requests for 1979 and 1980. Our 1980 Budget Estimates were explained to the House Appropriations Subcommittee on Transportation on February 26, and I will submit that statement for your information.

I believe, Mr. Chairman, that the statement and the answers we are submitting pursuant to questions 3-7 of your March 6 letter give a clear picture of FHWA's 1979 and 1980 budget.

This Committee is well aware both of the attempts by the Administration and this Committee to arrive at acceptable authorization levels during the conference on the 1978 Act and of the Administration's continuing budget constraints.

Our budget requests have been formulated with the problems of inflation very much in mind. The Administration has imposed prudent spending targets and FHWA's

1980 budget requests were made within this context of fiscal restraint. Nonetheless, I must point out that FHWA's 1980 budget is the largest ever for this agency. It has necessarily been the product of some very hard choices with highest priority given to programs likely to produce broad national benefits or greater safety for the motoring public. Lower priority has gone to those programs of limited scope or special purpose that benefit a small portion of the Nation.

There are 12 active appropriation accounts in FHWA's Budget, a reduction of 11 from the 23 accounts in 1979, reflecting completion of some programs or the omission of lower priority programs.

For fiscal year 1980, we anticipate a total of \$8.6 billion in agency-wide obligations; an increase of a half-billion dollars over the levels anticipated in this fiscal year. If these obligation levels are indeed achieved, the 1980 Budget represents the largest highway program, by far, ever proposed. It will exceed the record year of 1975 when \$7.9 billion was obligated, by \$700 million.

The key elements of the 1980 Budget are:

1. For Federal-aid highways—\$8.4 billion.
2. For Motor Carrier Safety—\$13.7 million.
3. For general operating expenses—\$187.5 million.

The 1980 Budget contains an obligatory limitation for Federal-aid highways of \$8.5 billion with the Emergency Relief Program being exempt. This is the same amount provided in the 1978 Act for fiscal year 1979. We do not, however, believe the States will reach these limits. We predict Federal-aid highway obligations of \$7.6 billion in fiscal year 1979 and \$8.4 billion in 1980. I should emphasize that these are estimates which will not constrain the States. The only constraints are their available apportionments and the general obligation limitation provision.

This \$8.4 billion budget estimate is an increase of \$800 million over fiscal year 1979, and almost \$1.3 billion above the level actually obligated in fiscal year 1978. We suspect that much of the increase will occur in the Bridge Replacement and Rehabilitation Program. Increases are also expected in 1979 and 1980 because of reallocation of Interstate funds freed up due to the shortened availability period under the 1978 Act.

Obligations for "Federal-aid Highways" reached \$7.1 billion in 1978, making it the second highest year in program history. One major factor responsible for this was the completion of 796 miles of the Interstate System, including 337 miles to close intercity gaps.

Obligations in 1978 for Interstate 3-R activities were \$167 million, up from 1977, due to increased emphasis.

The Bridge Replacement Program continued to attract nationwide attention with obligations in 1978 of \$171 million, bringing total obligations for special bridge replacement to almost \$800 million since program inception in 1970. The total number of bridges being replaced increased from 1,456 to 1,750. With the program scope and the funding expanded to include rehabilitation, and with the increased funding provided in the 1978 Act for this program, progress should be sustained in 1979 and again in 1980.

The Urban System Program is now well underway. In 1978 for the first time obligations of \$850 million exceeded the new apportionment of \$784 million for fiscal year 1979.

Our Highway Beautification program is at a crossroads. Funding in recent years has not been of sufficient magnitude to make a real contribution in achieving its goals. We propose to conduct a reevaluation of the program in its entirety to assess its costs and benefits. Our assessment will include public hearings. We will keep the Committee informed of this review.

I believe the highway program was quite successful in 1978 in obligating funds. The Department is confident that such program goals of the 1978 Act, as acceleration of the Interstate System, an accelerated bridge program, and cost reductions, can successfully be met within the budget we submitted. We intend to work closely with the Committee in reaching the goals of the 1978 Act while simultaneously carrying out the program within our budget.

TECHNICAL AMENDMENTS

Early this year the subcommittee staff requested a list of technical amendments to the Surface Transportation Assistance Act of 1978. At that time interest was expressed in amendments necessary for proper implementation of the Act, as well as amendments needed to clarify certain sections or to mitigate the unintended or untoward effects of others.

In his letter of March 6, 1979 Chairman Johnson also asked that we discuss the need for amendments. Accordingly we have included our analysis and the proposed technical amendments in the material we have submitted to you. This material

contains 16 proposed amendments, 13 in sections delegated to the Federal Highway Administration (FHWA).

I would like to briefly discuss with you four of the most important amendments, then I can devote more time later to answering your questions on any of the amendments relating to highway programs. The other proposed amendments relate to the Urban Mass Transportation Administration (UMTA) programs and I will leave discussion of them to my colleague Mr. Page.

Section 113—Utilities on rights of way

Section 113 of the Surface Transportation Assistance Act (STAA) amends 23 U.S.C. 109 by adding a new subsection relating to the location of utility facilities on Federal-aid highway rights-of-way. The new subsection provides that the Secretary shall "first ascertain the effect such use will have on highway and traffic safety, since in no case shall any use be authorized . . . *which would adversely affect any aspect of safety.*" (Emphasis added.)

This language is making it extremely difficult to implement this Section of the law. I note that since the statutory language is quite clear, the amendment we are proposing is more accurately referred to as substantive than technical. We feel, however, that the need for amendment of this section is so crucial that we should bring it to your attention at this time.

The language I cited earlier, if taken literally, seems to prohibit use of a Federal-aid highway right-of-way to accommodate almost any utility facility installed above the ground since it is difficult to envision that such a facility would not detract in some way from some aspect of safety. Also, this language could conceivably preclude the accommodation of some underground utility facilities on the highway right-of-way since such use could adversely affect the safety of both highway and utility maintenance personnel.

This possible reading of the statutory language has led one FHWA regional administrator to advise his Division Offices to consider withholding approval of any location of utilities on rights-of-way on the Federal-aid systems until the statute is clarified or amended. In turn the States in that region (Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin) as well as one of the affected utility companies have called the FHWA with inquiries and complaints.

From our reading of the House report it appears that Congress intended that priority attention be given to safety in determining whether or not to approve utilities on rights-of-way, not that use of rights-of-way for such purposes be prohibited.

Based on this interpretation we are proposing an amendment which would delete the language that prevents the Secretary from approving any utility accommodation plan "which would adversely affect any aspect of safety." The amendatory language would prohibit the Secretary's approval of such plans if they would "significantly impair highway and traffic safety."

Section 115—Acceleration of construction of Interstate System

Section 115 of the STAA has had unintended effects on the Interstate System despite the clarity of its language. To remedy this situation we are proposing an amendment more accurately termed substantive than technical.

Section 115 of the STAA amended 23 U.S.C. 118(b) to limit the period of availability of apportioned Interstate construction funds to a total of two years. The section does not specify, however, the period of availability of funds designated for resurfacing, restoring, and rehabilitating the Interstate system, commonly called Interstate 3-R funds. The section says only that 3-R funds must lapse at the end of their period of availability. The FHWA in interpreting this section concluded that all Interstate funds, both 3-R and construction funds, should have the same period of availability, that is two years. Accordingly, on December 22, 1978, the FHWA withdrew all fiscal 1978 Interstate 3-R funds which remained unexpended at the end of fiscal year 1978, (FHWA Notice N4510.81). Five States, Montana, New Jersey, Rhode Island, West Virginia, and Wisconsin, plus the District of Columbia, were affected.

Apparently the conferees did not intend for the 3-R funds to lapse. Rather they intended that they be available for four years.

To resolve these problems we have submitted to you a proposed amendment which would restore the lapsed funds and explicitly state the Interstate 3-R funds are available to States for obligation for a total of four years.

The restored funds which were authorized for fiscal year 1978 would also be available for a total of four years and would lapse at the end of fiscal 1980.

Section 123—Enforcement of vehicle weight limitations

Section 123 of the STAA which in part amends 23 U.S.C. 141 has had what appears to be an unintended impact on the enforcement of vehicle size and weight limitations. This section authorizes the Secretary to reduce the highway apportionments of States that do not certify before "January 1 of each year" that they are enforcing maximum vehicle size and weight laws on Federal-aid highways. The Secretary may also increase a State's apportionment by the reduced amount if it comes into compliance within one year. However, subsection (e) of section 123 operates to provide a two year grace period during which this enforcement procedure will not be available to the Secretary. We question whether the Congress actually intended this result since the basic change made by section 123 was to the method of enforcement available to the Secretary and since the legislative history does not indicate that Congress intended to provide a two year grace period.

In order to resolve this problem we have submitted to you a proposed amendment which would repeal subsection (e).

Section 401—Buy America

The last proposed technical amendment which I will address at this time concerns section 401 of the STAA. This section establishes "Buy America" requirements for certain programs administered by the Department of Transportation. Some words have evidently been omitted from the first sentence of the section so that it is ungrammatical and its precise meaning is unclear. As it now stands it could be read as being applicable to direct Federal procurements as well as federally-assisted programs. The legislative record is very clear and indicates that since direct Federal procurements are already subject to the Buy America Act of 1933 this section was intended to apply only to federally-assisted programs. The proposed amendment we have submitted to you would add language to Section 401 making it applicable to "federally-assisted contracts exceeding \$500,000."

This concludes my statement which I hope has addressed a number of your concerns. I will be pleased to answer any questions you may have. Thank you for the opportunity to work with you on this important implementation effort.

TESTIMONY OF HON. KARL BOWERS, ADMINISTRATOR FEDERAL HIGHWAY ADMINISTRATION, ACCOMPANIED BY LORENZO CASANOVA, CHIEF COUNSEL; LESTER LAMM, EXECUTIVE DIRECTOR, AND RICHARD MORGAN, ASSOCIATE ADMINISTRATOR FOR ENGINEERING.

Mr. BOWERS. Thank you very much, Mr. Chairman.

First, I would like to introduce my Deputy Administrator, Federal Highway Administration, Mr. John Hassell. He may be new to some of you, and may not be present for the full hearing, but I would like for you to know who he is.

With me at the table here, on my right, is Lorenzo Casanova, our Chief Counsel, Federal Highway Administration. On my extreme left is Richard Morgan, the new Associate Administrator for Engineering, and Les Lamm, the Executive Director of the Federal Highway Administration.

You have permitted us to put the full statement in the record, and if you will allow me to summarize, I would be glad to summarize my statement.

We are pleased to be here today to discuss with you the Federal Highway Administration's progress in carrying out the provisions of the Surface Transportation Assistance Act of 1978.

In his letter of March 6, Chairman Johnson asked that we present to you information concerning the schedule and means for effectuating the provisions of the act, the budget requests for fiscal years 1979 and 1980, and the possible need for technical amendments.

Also, we are submitting material requested in Chairman Johnson's attachment to his letter, in written form—documents, tables,

and other information. Our further discussion today can be dictated by your interests and your questions.

The act itself contains 117 sections, of which 77 have been delegated to the Federal Highway Administration for implementation. Twenty-nine of these sections have been fully implemented. Fourteen are fully operational, requiring only directives, revisions to formalize relevant changes. And 12 sections require reports to Congress due on different dates over the next 3 years. Of the 22 sections which remain, we foresee few problems or delays in distributing money to the States.

We have distributed the funds authorized by this act promptly. On November 8, 1978, 2 days after the act was signed, we apportioned the Interstate, primary, secondary, urban, and bridge funds. Within a month, the other principal apportionments, including those involving new formulas, were made.

Also, the major discretionary funds authorized by the act were distributed. As of March 9, 1979, \$417 million of discretionary interstate funds were allocated. All of the fiscal year 1979 discretionary priority primary funds were allocated in January.

As to the Interstate System, the Surface Transportation Assistance Act of 1978 emphasized the need for accelerated completion of the Interstate System, and provides a framework for the achievement of this goal. We are preparing a notice to our division offices advising them of our emphasis on this area, and informing them of our decision to more actively involve the Washington headquarters office in this program.

Apportionments for the Interstate construction and resurfacing, restoration, and rehabilitation programs, have already been made. We have allocated approximately \$417 million of the \$1.4 billion Interstate discretionary funds to the States.

One important requirement of the 1978 act was to draft standards to insure proper maintenance of the Interstate System, Section 116(c). These are now being drafted for issuance in October.

BRIDGES

Another key element of the act of 1978 is the expanded bridge program, section 124. Its implementation is moving quickly. As of February 28, this year, of the 20 percent of the funding for this program which may be used on- or off-system, over \$8.5 million have been obligated. Of the 15 percent to be used for the off-system, \$16.442 million have been obligated; and of the 65 percent of the funds to be used on the system, \$129.065 million have been obligated by the States. A total of over \$154 million for fiscal year 1979 has been obligated for this crucial program.

Emphasis is also being placed on the inventory and inspection of off-system bridges, with periodic issuance of advisory and training material. We estimate that there are approximately 300,000 off-system bridges. Reports have been received on approximately 100,000 of that estimated total.

Implementation of section 147 of the act, providing for two projects demonstrating acceleration of bridge projects, is also proceeding well. The U. S. Grant Bridge and the Ohio River Bridge, mentioned in the Conference Report, have been selected for the

demonstration, and funds have been allocated for each project to the full extent requested or available.

SAFETY

The issue of highway safety has been and is of the utmost concern to the Department. All title II authorizations (section 202), required to be distributed by statutory formula, have been apportioned expeditiously.

One very important safety-related section (205), implementing the national maximum speed limit, will be discussed in greater depth by Ms. Claybrook.

However, let me say the 55-mile-per-hour speed limit has my strong support, as well as that of the whole Department. Also, I will mention that on December 12, 1978, emergency regulations implementing the 55-mile-per-hour requirements for the period ending September 30, 1979, were published. A significant regulation, which will provide for speed monitoring, was published December 12, and another regulation to provide for compliance with 27 U.S.C. 141, the enforcement requirement, will be issued soon.

The amendments made to the section 402 Highway Safety Program by section 207 of the act, are being addressed cooperatively with NHTSA. In addition to these joint activities, title I of the act also contains safety programs which have already been implemented by FHWA since passage of the act, such as the pavement marking program, the hazard elimination program, the highway safety improvement program, and the safer off-system roads program.

VEHICLE SIZE AND WEIGHT

A notice of proposed rulemaking will be published in the Federal Register today to implement section 123 of the act, requiring each State to develop a comprehensive process for vehicle weight enforcement. The Department will exercise oversight by reviewing and approving State developed enforcement plans and by monitoring their operation throughout the year.

In addition, we will report to Congress on oversized vehicles as required by section 211 of the act, by May 6, 1979.

THE FEDERAL HIGHWAY ADMINISTRATION'S 1980 BUDGET

You have requested that the Department's testimony cover budget requests for 1979 and 1980. Our 1980 budget estimates were explained to the House Appropriations Subcommittee on Transportation on February 26 and I will submit that statement for your information.

[The following was received for the record:]

STATEMENT OF KARL S. BOWERS, FEDERAL HIGHWAY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Mr. Chairman, Members of the Committee, it is a pleasure to appear before the Committee to present and explain the fiscal year 1980 Budget Estimates for the Federal Highway Administration. We Welcome the opportunity and hope that we can be of help to you in deliberating the merits of our request.

This is my first appearance before the Committee as Federal Highway Administrator since assuming that position last summer. Some of the familiar faces who were witnesses at past hearings have retired and have been replaced. Others are

here with us. All are knowledgeable with expertise in the many areas of interest to the Committee and I shall call upon them from time to time to expand upon my remarks and provide details on items of particular concern.

With your permission, I would like to introduce them:

Before highlighting the various elements of our budget estimate for fiscal year 1980, I would like to briefly discuss the background and tone of the conditions under which it was conceived.

Unlike last year when our budget was developed within the bounds of assumed authorizing legislation, the 1980 Budget Estimate is based on the recently enacted "Surface Transportation Assistance Act of 1978." In itself, this is a landmark piece of legislation which includes many new and innovative features that will improve the efficiency of our programs and speed us toward our goal of a safe and responsive national system of highways. Some examples are: prohibition of further designations of Interstate mileage; prohibition of certain Interstate transfer provisions (Cramer-Howard); cutoff dates for substitute projects and for submission of environmental impact statements; and, acceleration of construction of the Interstate System through a reduction in the time cycle of availability.

On the other hand, this Act significantly expanded several existing programs and added several new ones. For FHWA programs, it authorized totals of about \$8.5 billion in 1979 and \$9.1 billion in 1980.

One of the most insidious problems plaguing the Nation today is inflation. The symptoms are clear and abrupt but solutions have been singularly elusive. One thing is certain and that is that Federal spending must be brought into balance with revenues at the earliest possible date.

Toward this end, the Administration has imposed rigid spending targets on itself, and it is within this context of fiscal constraint that our 1980 budget estimate for highway programs has been made.

Even through the budget we present today is the largest ever for this agency, it nevertheless is austere in the sense that it calls for reductions below 1979 program levels in some areas, eliminates funding for other programs, and does not request funds for several of the newly authorized activities.

This budget is the product of some hard choices—of an effort to distinguish between the absolutely essential and the highly desirable.

We have faced the challenge by establishing criteria and setting priorities. In general, the high priorities encompass programs and activities whose goals and objectives provide broad benefits that are national in scope or which address themselves to the safety of the motoring public. Of lower priority are those programs which are limited in scope or are special purpose in nature, and which, although desirable, will benefit only a small portion of our society.

I will now summarize our 1980 Budget Estimate and highlight a few key elements:

SUMMARY

The estimate is comprised of twelve active appropriation accounts, a reduction of eleven from the 23 active in 1979. In some cases this reflects completion of the program—in others it reflects a lack of sufficiently high priority to meet the rigid requirements for inclusion that I mentioned earlier.

Program levels, or obligations, are the most meaningful indicator of budget activity. For FHWA in total, we anticipate obligations of \$8.6 billion in fiscal year 1980, an increase of a half-billion over the levels anticipated in the current year, fiscal year 1979.

In terms of manpower, however, we are projecting a reduction both in fiscal year 1979 and fiscal year 1980 from that which Congress has previously authorized. For the agency in total, full-time permanent positions at 4,947 and end-of-year employment at 4,692 will each be reduced by 122 to levels of 4,825 and 4,570, respectively. Again, this reduction is complementary to the Administration's efforts to fight inflation and hopefully to set a pattern for greater productivity in the private sector.

I would emphasize that this is a net reduction, for at the same time we are seeking 25 new positions for our Motor Carrier Safety program, much needed in the interests of highway safety insofar as commercial trucking is concerned.

KEY ELEMENTS

Federal-aid highways

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

The budget for 1980 contains a general provision which limits obligations to \$8.5 billion with the Emergency Relief program being exempt. This is the same as that provided for 1979 in the Surface Transportation Assistance Act of 1978. We do not foresee, however, that the States can actually reach these levels, and our budget predicts obligations of \$7.6 billion in fiscal year 1979 and \$8.4 billion in fiscal year 1980. These are estimates and the States will not be constrained by them—only by their available apportionments and by the general provision.

Even so, the budget estimate of \$8.4 billion is an increase of \$800 million over fiscal year 1979, and is almost \$1.3 billion above the level actually obligated in fiscal year 1978. Much of the increase is expected to occur in Bridge Replacement and Rehabilitation and in Safety Construction programs, both of which we are emphasizing. Another contributor to the increase in both 1979 and 1980 is the expected reallocation of Interstate funds freed up for faster use through provisions of the 1978 Surface Transportation Assistance Act which shortened the time availability of apportioned funds.

Motor carrier safety

Again we are giving this important safety program high priority. In addition to the increased staffing we are requesting, the demonstration program to promote the establishment and maintenance of motor carrier safety programs by the States is continued at a level of \$3 million. The total estimate of \$13.7 million in 1980 compares to \$12.6 million in 1979.

Highway beautification

We are at a crossroad for this program. Funding in recent years has not been of sufficient magnitude to make a real contribution in achieving its goals. We propose to conduct a reevaluation of the program in its entirety to assess the costs and benefits of continuing. Until this assessment is made, we will hold the program in abeyance.

Limitation on general operating expenses

Although our 1980 request is for \$187.5 million compared to \$178.2 million in 1979, we believe this to be an austere estimate. In fact, employment has been reduced by 70 work-years with salary cost savings of more than \$1 million. The major increase is to construct the Research Facility at Langley for which A and E funds were provided in 1979. The increase is for \$5.65 million.

We are also requesting small increases for Safety and Highway Research, Demonstration Projects, and Skill Training. A new demonstration program designed to facilitate interstate and international commerce on highways will be launched.

ACCOMPLISHMENTS

During the past year our programs continued to progress forward and several accomplishments were made of which we are proud. I would like to outline a few:

Program level

Obligations for "Federal-aid Highways" reached \$7.1 billion in 1978, making it the second highest year in program history.

Progress on the Interstate System

An additional 796 miles were put into service including 337 miles to close inter-city gaps.

Resurfacing, restoration, and rehabilitation were emphasized during 1978—obligations for these activities were \$167 million.

Bridge replacement program

This program continued to attract nationwide attention. Obligations in 1978 were \$171 million, bringing total obligations for special bridge replacement to almost \$800 million since program inception. The total number of bridges replaced increased from 1,456 to 1,750. With the program scope expanded to include rehabilitation, and with the increased funding provided in the 1978 Act for this program, progress will take a big jump in 1979 and again in 1980.

Urban system program

Slow to start, this program is now well underway. For the first time obligations of \$850 million exceeded the new apportionment of \$784 million for fiscal year 1979.

Energy conservation

Significant inroads were made during 1978 toward the goal of energy conservation, including the recycling of worn out bituminous pavements and the use of sulfur as a high grade pavement binder.

Highway capacity

More than \$450 million was obligated for measures to improve traffic operations. The results are increased traffic flow, conservation of fuel, and reduced air pollution.

"Redtape reduction"

Efforts begun in 1977 have been continued. For example, 15 directives have been cancelled, and 21 others have been revised to eliminate "non-essential" Federal requirements.

Highway safety

More than \$500 million was obligated for specific highway safety programs which included rail-highway grade crossings, high-hazard and roadside obstacle removal, and pavement marking improvements. More than 6,300 safety improvement projects were started and 5,800 were completed. In addition, more than \$1 billion was obligated for safety construction in other Federal-aid programs.

Motor carrier safety

Roadside inspections of vehicles involved in interstate commerce were emphasized. As a consequence, increased levels of activity were conducted: inspections—26,000, an increase of 37 percent; vehicles placed out of service—9,200, an increase of 43 percent; and drivers placed out of service—600, a 7 percent increase.

THE FUTURE

In fiscal year 1980 we will continue to emphasize programs whose goals are important to the national interest in highways:

Safety—for the highway itself, a continuation of the accelerated highway safety improvement program which includes railway-highway crossings; on the highway, increased activity in the motor carrier safety program.

Acceleration and timely completion of the Interstate System.

Acceleration of the bridge program to reduce the time required to replace or rehabilitate unsafe bridges.

Cost reduction and reversal of present inflationary trends.

Research and development with emphasis toward cost reduction, safety, and energy conservation.

Improvement of traffic flow, reduction of congestion, and increased capacity.

These are some of the basic conditions and highlights of our budget estimate. My colleagues and I will be happy to discuss the estimates in detail, answer your questions, and provide additional information that may be helpful to your understanding of the budget.

Mr. BOWERS. I believe, Mr. Chairman, that the statement and the answers we are submitting pursuant to questions 3 through 7 of your March 6 letter give a clear picture of the Federal Highway Administration's 1979 and 1980 budget.

This committee is well aware both of the attempts by the administration and this committee to arrive at acceptable authorization levels during the conference on the 1978 act, and of the administration's continuing budget constraints.

Our budget requests have been formulated with the problems of inflation very much in mind. The administration has imposed prudent spending targets and FHWA's 1980 budget requests were made within this context of fiscal restraint.

Nonetheless, I must point out that FHWA's 1980 budget is the largest ever for this agency. It has necessarily been the product of some very hard choices with highest priority given to programs likely to produce broad national benefits or greater safety for the motoring public. Lower priority has gone to those programs of limited scope or special purpose that benefit a small portion of the Nation.

There are 12 active appropriation accounts in FHWA's budget, a reduction of 11 from the 23 accounts in 1979, reflecting completion of some programs or the omission of lower priority programs.

For fiscal year 1980, we anticipate a total of \$8.6 billion in agency-wide obligations, an increase of a half-billion dollars over the levels anticipated in this fiscal year. If these obligation levels are indeed achieved, the 1980 budget represents the largest highway program, by far, ever proposed. It will exceed the record year of 1975 when \$7.9 billion was obligated, by \$700 million.

The key elements of the 1980 budget are: For Federal-aid highways, \$8.4 billion; for motor carrier safety, \$13.7 million; and for general operating expenses \$187.5 million.

The 1980 budget contains an obligational limitation for Federal-aid highways of \$8.5 billion, with the emergency relief program being exempt. This is the same amount as provided in the 1978 act for fiscal year 1979.

We do not, however, believe the States will reach these limits. We predict Federal-aid highway obligations of \$7.6 billion in fiscal year 1979 and \$8.4 billion in 1980. I should emphasize that these are estimates which will not constrain the States. The only constraints are their available apportionments and the general obligation limitation provision.

This \$8.4 billion budget estimate is an increase of \$800 million over fiscal year 1979, and almost \$1.3 billion above the level actually obligated in fiscal year 1978. We expect that much of the increase will occur in the bridge replacement and rehabilitation program. Increases are also expected in 1979 and 1980 because of reallocation of Interstate funds freed up due to the shortened availability period provided under the 1978 act.

Obligations for "Federal-aid Highways" reached \$7.1 billion in 1978, making it the second highest year in program history. One major factor responsible for this was the completion of 796 miles of the Interstate System, including 337 miles to close intercity gaps.

Obligations in 1978 for Interstate 3-R activities were \$167 million, up from 1977, due to increased emphasis.

The bridge replacement program continued to attract nationwide attention with obligations in 1978 of \$171 million, bringing total obligations for special bridge replacement to almost \$800 million since program inception in 1970. The total number of bridges replaced increased from 1,456 to 1,750. With the program scope and the funding expanded to include rehabilitation, and with the increased funding provided in the 1978 act for this program, progress should be substantial in 1979 and again in 1980.

The urban system program is now well underway, although it was very slow in starting. In 1978 for the first time obligations of \$850 million exceeded the new apportionment of \$784 million for fiscal year 1979.

I believe the highway program was quite successful in 1978 in obligating funds. The Department is confident that the program goals of the 1978 act, such as acceleration of the Interstate System, an accelerated bridge program, and cost reductions, can successfully be met within the budget we submitted. We intend to work closely with the committee in reaching the goals of the 1978 act, while simultaneously carrying out the program within our budget.

Early this year the subcommittee staff requested a list of technical amendments to the Surface Transportation Assistance Act of 1978. Interest was expressed in amendments necessary for proper

implementation of the act, as well as in amendments needed to clarify certain sections or to mitigate the unintended or untoward effects of others.

In response to the staff request and Chairman Johnson's letter of March 6, 1979, we have submitted our analysis and the proposed technical amendments in written form. There are 16 proposed amendments, 13 in sections delegated to the Federal Highway Administration.

I would now like to single out the four proposed amendments that I consider most crucial. Then I can devote more time later to answering your questions on any of the other proposed amendments concerning highway programs. The other proposed amendments concern the UMTA program, and I will leave discussion of them to my colleague, UMTA Administrator Page.

We are particularly concerned that section 113, relating to utilities on rights-of-way, be amended. As it is currently written, it can be interpreted to preclude the accommodation of practically all above ground and some underground utility facilities on Federal-aid highway rights-of-way. This result, which we think was probably not intended by Congress, makes it extremely difficult to implement this section of the STAA. We note, however, that resolution of this problem requires an amendment more accurately termed "substantive" than "technical". Our proposed amendment would prohibit the Secretary's approval of any utility accommodation plan that would "significantly impair any aspect of highway or traffic safety."

Another section which has had unintended effects and probably requires substantive rather than technical amendment is section 115. Pursuant to this section, FHWA concluded that it was statutorily bound to withdraw Interstate 3-R funds which remained unexpended at the end of fiscal year 1978. Five States, Montana, New Jersey, Rhode Island, West Virginia, and Wisconsin, plus the District of Columbia, were affected. Apparently, the conferees did not intend this result and expected that Interstate 3-R funds would be available for 4 years. Our proposed amendment would restore the withdrawn funds, making them available until the end of fiscal year 1980, and would make all Interstate 3-R funds available for obligation for a total of 4 years.

Section 123 granted the Secretary authority to decrease the annual apportionments of those States who do not certify that they are enforcing maximum vehicle size and weight laws on Federal-aid highways, as well as the authority to restore funds to States that come into compliance within 1 year.

However, subsection (e) seemingly grants a 2-year grace period during which this sanction may not be invoked. We question whether the Congress actually intended this result. Our proposed amendment would resolve this problem by repealing subsection (e).

The last proposed amendment that I will address at this time concerns section 401, Buy America. Some words have been omitted from this section, rendering the first sentence ungrammatical and ambiguous. Our proposed amendment would make it clear that the section applies only to federally assisted programs and not to direct Federal procurements.

This concludes my statement, which I hope has addressed a number of your concerns. I will be pleased to answer any questions that you or other members of the committee might have at this time.

I thank you for the opportunity of working with you on these important implementation efforts.

Mr. HOWARD. Thank you very much, Mr. Bowers. I think this is a fine statement, considering the short period of time since the legislation became law, with the many additional programs. I think you and your staff deserve credit for the implementation thus far.

I have just one or two questions. One, of course, will be addressed in our hearing on Monday, when Ms. Claybrook is here.

I did notice in your statement the strong commitment to the 55-mile-an-hour speed limit and its enforcement. We have heard the President in press conferences, when he was questioned concerning the situation in Iran and the saving of fuel, aside from the saving of lives, which is so vital to this program, and the first thing the President said was in order to have better compliance there should be better enforcement of the 55-mile-an-hour speed limit.

Up until this legislation was enacted we really had only a penalty provision and have not had any enforcement program. This is the first legislation that does have an enforcement program in it.

Now, I notice in the President's budget for fiscal 1980, despite the fact that he is asking for all this additional enforcement, not one penny was requested for the enforcement program, yet \$50 million had been authorized. Don't you find that a little awkward?

Mr. BOWERS. Mr. Chairman, that money I think is authorized under the NHTSA portion of the act. Ms. Claybrook could probably answer you better than I could. I would just say I have a personal commitment to the 55 mph speed limit. The FHWA provisions would be better classified as penalties to the States, and we stand ready to enforce them and stand ready to cite the States if they do not comply.

I have a personal commitment, and I know the Secretary does, too. I will let Ms. Claybrook explain how funds will be provided to enforce it.

Mr. HOWARD. One of the ideas is to take some money from somewhere else and put something into the 55-mile-an-hour enforcement program, which we're not sure is legal or within the prerogatives of the Department of Transportation. The understanding is that one of the programs from which the money will be taken is the 402 program, which involves alcohol abuse, safety programs, pedestrian safety, and so on. So I think it's a rather poor tradeoff and I find it hard to justify the commitment without some kind of followthrough at all.

The highway beautification program has been going on for some time, and I don't know what the administration's commitment is in this regard, but we do know what the Congress' is. As you know, the Congress did pass this legislation at not \$54 or \$51 billion, as it is termed today, depending on how many times you count interstate transfers, but at \$60 billion. There were funds for the continuation of the beautification program, which figures we have at this time. In the history of the beautification program, that over 500,000 billboards have come down across the country, and an

estimated 1 million additional billboards have not been erected because of this legislation.

Also, we notice there is not one dollar recommended in the budget for this program. Now, the Congress apparently did not want to kill the program because they voted for it. Effectively, the administration will kill the program through no funding; is that not a fact?

Mr. BOWERS. Well, it's not a fact. Let me assure you that we don't necessarily intend not to ask for the money in the next budget.

Mr. HOWARD. You mean in 1981?

Mr. BOWERS. Yes, sir. We are not asking for it this year because we think we need to assess our position and see whether the program really can be effective. We will continue to monitor the program. The same thing you mentioned, that one of the benefits of the program has been the nonerection of signs, will continue in force. We will continue to implement the provisions of the program.

What we intend to do, and are in the process of doing now, is to study the effects of the beautification program, the additional requirements put in by the amendments in last year's act, and make a recommendation to the Appropriations Committee during the next year. Let me assure you we have not precluded asking for that money again. But at least for this year, until we can get a better handle on how the program will run and what the ramifications of the new amendments will be, we are asking for no appropriations for this current year.

Mr. HOWARD. I understand there is no appropriation for administering the funds, or for even monitoring your activities within the Department, so you would not be able to proceed.

Mr. BOWERS. We have funds currently available, unobligated funds, which will allow us to continue during fiscal year 1979.

Mr. HOWARD. A safer off-system roads program is very important for many Members in many areas of the country, a \$200 million-a-year program. There is certainly not a great deal of debate on the House side I believe the Appropriations Committee appropriated money for fiscal 1979 before the authorizing bill came up, and in their committee report stated that they realized a major authorizing bill was due to come up later and that it would have many things that might not be anticipated by the Appropriations Committee; therefore, they intended in their committee report, as they stated, to come back with a supplemental appropriation to take care of some of the things Congress decided would be its policy.

I do understand that the Office of Management and Budget, and perhaps the administration, is opposed to any supplemental whatever, which would then totally ignore anything new in the first year authorization that the Congress passed last year.

For safer off-systems, the Congress authorized \$200 million. Without additional funding, I believe there was only \$15 million left for this program and, the status of that now, as I understand this, early in the fiscal year, is that it is all gone?

Mr. BOWERS. Yes, sir.

Mr. HOWARD. Thank you.

I know other members have things they are very interested in, about carpools, about the Deputy Administrator of the Department of Energy. I don't want to take anything away from my friend here from Pennsylvania in talking about the problems we have faced in energy and what we can do in emergency short-term programs. It involves, in his words, No. 1, the fact that we don't have public facilities, public transportation facilities like we hope to have down the line that would be carpooling as a program, with a minimum amount of maybe \$10 million authorized. Yet the administration, the Office of Management and Budget, in the new budget asked for not \$1, is that correct?

Mr. BOWERS. Yes, sir.

Mr. LAMM. Mr. Chairman, in that case there is not just one single reason, in these programs you have been mentioning, for not requesting funds. In the case of the carpool and vanpool program, that is an eligible item under some of the more general Federal-aid program categories, and States and local areas are able to get projects underway using those funds.

In addition, we, together with UMTA and other departmental units, are introducing just this week a supplemental demonstration program to produce some innovative approaches in the carpool and vanpool area, using our administrative funds. Again, this would not require start-up funding out of the new authorizations from last year's bill, but will show a commitment and I think produce a product in the area of carpooling.

Mr. HOWARD. Then there is this great newly authorized \$200 million-a-year urban initiatives transportation program. It is another field in which when we looked for the \$200 million, we looked under the shell that said "Supplemental 1979" and it wasn't there; we looked under another shell that had the 1980 budget and didn't find it there. We looked under the old, existing underfunded section 3 of the Mass Transit, and there it was. So it wasn't any new urban initiatives program or any new dollars. So we're probably eventually talking about total amounts of money rather than to say we got money for everything, potentially.

Bicycles is another example—we know we have that voluntary bikeway program, where the States may use a certain percent of regular highway funds in order to save fuel and to help with the pollution problems. The Congress considered this inadequate and authorized \$20 million a year for a meaningful bikeway program. And nothing was there for bikeways in the administration's budgetary request.

Could we say that the administration came up with its proposals and its bill, the Congress considered them, and the Congress took some of the administration's viewpoints and legislation and eliminated some; and then the Congress had some other programs that the administration was not in favor of; would it be fair to say, by and large, that in the 1980 budget the administration almost totally ignored what the Congress passed because they funded the programs they liked originally and almost universally did not ask for 1 cent for the programs they were not very supportive of?

Mr. BOWERS. Let me expand on how the process took place—

Mr. Howard Why don't you just get to the end and say yes?
[Laughter.]

Mr. BOWERS. Let's talk about safe off-system roads, in particular, which is a program that I liked when I was a State highway commissioner and one that we liked and supported in the Federal Highway Administration.

As you will remember, in the initial recommendations that the administration sent over, we asked that the safe off-systems program be funded from the Trust Fund. In the compromise that came out of the Senate and House Conference Committee, that didn't come about. It was still funded out of general funds.

When we established our zero-based budgeting process, we had to list our priority programs. I think you would agree that the Federal-aid programs—in my opinion, that's what the Federal Highway Administration's most important job is, to administer the Federal-aid highway programs—those are our top priorities.

When we were given our budget mark by OMB, we just drew a line, and among the things that fell below the line was safe off-systems roads—it was a good program, but there just were no funds available for it. That is the process of elimination.

This is not to say that some of the programs were not good programs, particularly the safe off-systems program, but that given the limitation on the budget, that program—and others—just fell below the line. We would have liked to have seen the safe off-systems program included in the regular Federal-aid program and funded out of the Trust Fund.

Mr. HOWARD. And?

Mr. BOWERS. And it wasn't done.

Mr. HOWARD. And on the other programs. I am talking about beautification and the 55-mile-an-hour enforcement, access highways, carpools, multimodal, bikeways and such things. It might look to a legislative observer that very possibly the administration has taken the position of line item vetoing legislation by not putting any of the funds into operating it.

I believe the executive branch if it were asked whether it constitutionally had the power to line item veto, would say no. But yet, in effect, we feel this may be happening.

I feel the Department of Transportation and the Federal Highway Administration would be able to do a better job in more areas if you had more money, and some of us are going to do all we can to help you, both in fiscal 1979 supplementals and with your budget in fiscal 1980, because we feel you will be able to handle the money properly and be able to do a much better job than you are able to do now, merely because the funds aren't available.

I am hopeful myself that we may be able to force something on you in finances.

Mr. BOWERS. I do want to assure you there was no line item veto. There was a range of priorities and we were given our total figure. We just drew a line. Nobody came in and said "this program has got to go and this one has got to go". It was done totally by the Federal Highway Administration.

Mr. HOWARD. I accept that.

The Chair recognizes the gentleman from Pennsylvania, Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

I was going to compliment the Highway Administration, but if, indeed, based on the gentleman's last statement the Federal Highway Administration deserves all the credit for the total elimination of funding for many programs that this Congress in its wisdom felt were important, you make me want to rethink my position.

Mr. BOWERS. I might say we didn't provide the budget mark.

Mr. SHUSTER. I understand that.

The President's budget provides for about a billion dollar cut in fiscal 1980, a billion dollar cut when compared with the transportation authorization provided by the Surface Transportation Act of last year. Now, at first blush, one billion dollars cut in surface transportation expenditures sounds like that probably, at least generally, makes sense, because we all want to see a balanced budget and we want to see an austere budget.

But then one looks beneath and sees that under the President's budget, while the cash balance in the Highway Trust Fund is \$11.7 billion in fiscal 1978, that cash balance in the Highway Trust Fund under the President's budget will increase to \$14.1 billion in fiscal 1980.

What public purpose is served by increasing the balance in the Trust Fund and what public purpose is served by taxing the motoring public and then taking their taxes and telling them that their taxes are going to be used to improve the Nation's highways and putting those taxes in the Trust Fund and letting the balance in that Trust Fund balloon?

I think any reasonable person might conclude that there could be a somewhat diabolical purpose here, and that purpose is, through the unified budget basis, to use the taxes of the motoring public and to use the balance in the Trust Fund to keep the overall deficit down, so the Carter administration can fund all these other social programs and nonsocial programs which they want to fund.

Now, would you care to comment on the wisdom of continuing to tax the motoring public, but then increasing the balance in the Trust Fund, from \$11.7 billion to \$14.1 billion in fiscal 1980? What is the reasoning behind that?

Mr. BOWERS. That is an argument that could be made. But I think we do have to consider the transportation budget and the highway budget as a part of the overall budget; therefore, we are part of the deficit. We have to be constrained by the same—

Mr. SHUSTER. You're saying that Trust Fund tax money should be treated the same way as the general fund?

Mr. BOWERS. No. I am saying we are part of the overall Federal budget, and therefore, we're part of the deficit.

Mr. SHUSTER. That's an accounting fact of life, based on the accounting ledger domain that goes on in this town. I can't quarrel with that.

But do you believe it is proper that user taxes collected from the motoring public should be utilized to help reduce the deficit that is created out of the general fund, rather than utilized to improve the Nation's highways?

Mr. BOWERS. Most of the programs for which no funds were requested are funded out of the general fund.

Mr. SHUSTER. There is a 13 percent cut in the Trust Fund. How much money is cut out of the Trust Fund authorizations? There

are 11 programs which are cut or not funded, which are Highway Trust Fund programs.

An obvious and logical argument could be made that we could increase spending, at least for the highway portion of the budget, by about another \$2 billion and not impact in a negative way the Highway Trust Fund, which, indeed, is dedicated to transportation.

Mr. BOWERS. Some of those programs are completed and the necessary appropriations have already been made for those programs. So there is not a need to request for those.

Mr. SHUSTER. I understand the position you have to take. And I sympathize with the position you have to take. My point is that the American people should know that the Carter budget provides for the utilization of highway user taxes to balloon the Highway Trust Fund, and in that fashion underwrite the other deficit-spending programs which come out of the general fund. That's the point the American people should clearly understand.

This is what the Carter administration is giving the American people.

Now, let me go on. With regard to access roads to lakes, the administration's justification for not requesting any funds was that the amount of funds already appropriated was sufficient to complete the ongoing projects.

I would request you provide this committee with a list of approved projects, comparing the amount of funds requested and the amount approved.

Mr. BOWERS. Yes, sir.

[The following was received for the record:]

Insert p. 42, line 781

STATUS OF PROJECTS
ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

State	Project	Project Designated in Appropriations Act for FY	Appropriations Identified for Project (\$000's) in Appropriations Acts	Obligations As Of 1-31-79 (\$000's)
California	Parrots Ferry Road	78	2,800	73.3
Iowa	Lake Red Rock Howell Station	79 79	500 100	0
Indiana	Brookville Lake Access Road Lake Monroe	76,77 78	2,142 4,550	1,260.9 735
Kansas	Clinton Parkway	76,77,79	6,730	4,130
Mississippi	Arkabutla Reservoir SR 315 Panola County Coontown Road	76 79) 79)	500 1,240	500 0
North Dakota	Lake Ashtabula-Bald Banks Road Lewis & Clark Road FASS 2921	78 79 79) 79)	750 1,960 1,500	30.8 0
Ohio	Paint Creek	76,77	3,955	1,012.1
Pennsylvania	Hemlock Road Lake Raystown	76,77 76,77	1,263 1,884	1,212.4
Tennessee	Casey Cove Road Pioneer Road	76 78	500 550	500 0
Texas	Tickey Creek Road	76	393	393
Total			31,317	9,847.5

Mr. SHUSTER. I know, for example, Pennsylvania identified over \$60 million in needs at Lake Raystown. They got around \$2 million. Now, I am not suggesting that every project should be fully funded, but I am suggesting that a funding rate of more than 4 percent of that request would, indeed, seem to be reasonable.

Now, further, under the Highway Safety Education and Information section which, indeed, is aimed at saving lives on our highways, and has become even more appropriate than it was at the time the language was introduced, because as you, undoubtedly know, highway fatalities last year have again exceeded 50,000, the first time in several years, and there has been a creepage upward. So this becomes an even more serious issue.

I take total credit for seeing to it that this program was put under your department rather than under NHTSA, because I have much more confidence in the competence of your Department than I do in the competence of NHTSA.

The question is, sir, even though there has not yet been funding for this program, have you taken any steps to put the mechanism in place, particularly with regard to pilot projects?

Mr. BOWERS. I'll let Mr. Lamm expand on that. We have not as yet.

Mr. LAMM. We have an ongoing program of information on safety. We have not asked for funding of the account that you were talking about—

Mr. SHUSTER. I know you haven't asked for the funding, but I have a feeling you're going to get it.

My question is, have you addressed the language in the authorization, the law of the land, to prepare your Department, so that when you get funding you will be able to proceed vigorously?

Mr. LAMM. Yes, sir. When you do have a chance, or your staff has a chance, to look at the section-by-section summary of what we have done so far to implement the 1978 act, you will see we have been delegated the responsibility of section 209, and that even though there are no funds contained in either the 1979 or the 1980 budget, we have steps underway to implement section 209 if it were funded at a later date.

Mr. SHUSTER. You say you have been delegated the authority for that?

Mr. LAMM. Yes, sir.

Mr. SHUSTER. Obviously, we and the law gave you that authority—I mean, it wasn't anybody else downtown that delegated that authority to you. The statute gives you that authority.

Mr. LAMM. I guess I'll put it that no one else found fault with that. We do have a principal role.

Mr. SHUSTER. Good. I hope you're planning things, so that when you do get money you will be able to proceed vigorously.

Mr. BOWERS. If I could just make one comment on the Trust Fund, the estimates on obligations would essentially erase the estimate on income into the Trust Fund. So we don't anticipate that the Trust Fund balance would grow.

Mr. SHUSTER. I am informed—and I would ask the staff if the information I have is incorrect—that in the Carter budget sent up here, the balance in the Highway Trust Fund, in the appendix to the budget for fiscal year 1980, submitted by the Carter administra-

tion—and I hold it up for your inspection—for the Federal Highway Administration, an agency I presume you're familiar with—

Mr. BOWERS. Yes, sir.

Mr. SHUSTER. It shows the balance of the Fund at the end of the fiscal year, 1980, under the Carter budget, will be \$14.1 billion.

Mr. BOWERS. I am corrected. It does show that.

Mr. SHUSTER. Thank you for your testimony, and thank you, Mr. Chairman.

Mr. HOWARD. The Chair is very happy to recognize the ranking Democratic member of the subcommittee, the gentleman from Pennsylvania, Mr. Edgar.

Mr. EDGAR. Thank you, Mr. Chairman.

I compliment our Chairman on his asking some really capable questions. He wanted to know if I was getting "itchy", and I told him I only get "itchy" when he doesn't ask questions.

I think the ranking minority member got to the heart of some of the funding questions with you. I would like to get to the heart of a couple of policy questions which I think are also important in oversight that really do not relate so much to the dollar amounts but to the actual policy.

The newly expanded bridge replacement rehabilitation program was the 95th Congress response to what has been called America's bridge crisis. During the House debate on the bill, it was pointed out that we have about 105,000 unsafe bridges in this country.

Is that figure approximately correct?

Mr. BOWERS. I would say so.

Mr. EDGAR. These are unsafe and functionally obsolete bridges.

I wonder if you could exactly define what is meant by "functionally obsolete".

Mr. LAMM. Mr. Edgar, in evaluating whether or not bridges are eligible for rehabilitation or replacement, each bridge is inspected by the State and then is evaluated against a sufficiency rating format which is established by the States and ourselves, working jointly together.

As you have pointed out, that format has two major elements in it: One for the structural adequacy or, in effect, the safety of the bridge, and one as to whether or not the bridge is sufficiently wide to carry today's or tomorrow's traffic. That's the functional obsolescence part.

There are definitions within that overall framework. To oversimplify a bit, structurally deficient bridges are those that have been reserved for light vehicles or even closed completely. They are not structurally adequate to carry the traffic load that would normally be on them.

A functionally obsolete bridge is one where the deck geometry, the load-carrying capacity or something like that, is too low for today's or tomorrow's traffic.

Now, within the scope of the sufficiency rating, almost twice as much weight is given to a bridge which is unsafe as opposed to that which is functionally obsolescent, but still has structural integrity in its members.

Mr. EDGAR. When I think of the bridge crisis, I think that the primary concern rests with the structurally unsound bridges that

threaten the life and safety of people, trucks, school buses and other things that go over them.

Is there any way in which the bridge program differentiates in terms of setting priorities on how to spend the money, between the need to change the bridge's structure so that wide loads can pass, which would be a problem of functional obsolescence, as opposed to going into the heart of the bridge problem and dealing first and more adequately with the structurally unsound bridges that we have in the Nation?

Mr. LAMM. We can provide you a breakdown for the record, Mr. Edgar, of the bridges that are currently undergoing rehabilitation or replacement. I think you will see from that tabulation that by far the largest quantity of bridges being rehabilitated are those that are structurally unsound.

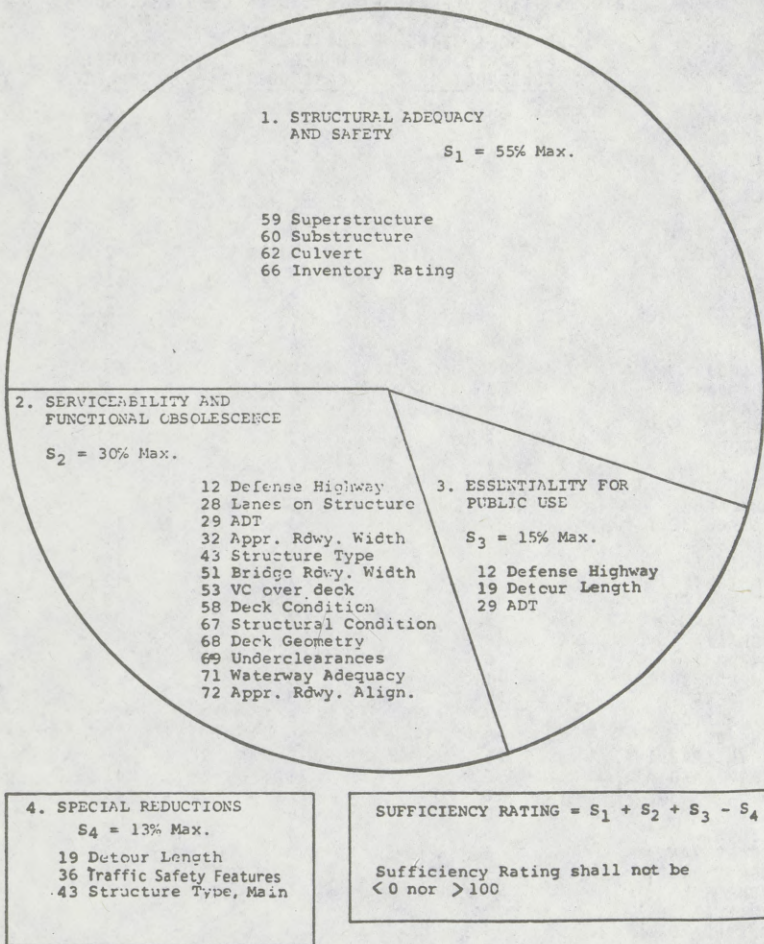
[The following was received for the record:]

Attached is a listing of all bridges approved for the Bridge Replacement Program as of October 31, 1978. All of these bridges had a sufficiency rating of less than 50. Attached also is a copy of a chart entitled Summary of Sufficiency Rating Factors. As can be seen from the chart, structural adequacy and safety is given much greater weight (55 percent) in determining sufficiency than is serviceability and functional obsolescence (30 percent). A bridge perfectly sound from a structural point of view would start with a sufficiency rating of 55. As all of the bridges being replaced as of October 31, 1978, had sufficiency ratings of less than 50 they were not perfectly sound from a structural point of view.

BRIDGE REPLACEMENT PROGRAM
AS OF OCTOBER 31, 1978
BRIDGES WITH SUFFICIENCY RATING OF LESS THAN 50

<u>STATE</u>	<u>BRIDGES BEING PREPARED FOR CONSTRUCTION</u>	<u>BRIDGES UNDER CONSTRUCTION</u>	<u>BRIDGES COMPLETE</u>	<u>TOTAL</u>
ALABAMA	22	6	14	42
ALASKA	3	2	13	18
ARIZONA	0	2	8	10
ARKANSAS	2	3	2	7
CALIFORNIA	6	59	19	84
COLORADO	6	1	25	32
CONNECTICUT	8	0	3	11
DELAWARE	1	0	2	3
DIS. OF COL.	0	1	1	2
FLORIDA	12	15	13	40
GEORGIA	23	39	8	70
HAWAII	1	1	0	2
IDAHO	0	9	6	15
ILLINOIS	76	40	55	171
INDIANA	13	5	4	22
IOWA	4	7	28	39
KANSAS	30	48	71	149
KENTUCKY	24	43	9	76
LOUISIANA	22	45	43	110
MAINE	0	3	5	8
MARYLAND	1	3	1	5
MASSACHUSETTS	7	8	10	25
MICHIGAN	3	12	11	26
MINNESOTA	3	16	19	38
MISSISSIPPI	4	7	13	24
MISSOURI	3	7	8	18
MONTANA	3	3	4	10
NEBRASKA	42	27	15	84
NEVADA	0	5	11	16
NEW HAMPSHIRE	11	5	7	23
NEW JERSEY	30	3	4	37
NEW MEXICO	7	5	19	31
NEW YORK	30	29	7	66
NORTH CAROLINA	26	9	8	43
NORTH DAKOTA	0	11	12	23
OHIO	12	25	14	51
OKLAHOMA	0	16	8	24
OREGON	0	4	18	22
PENNSYLVANIA	5	9	7	21
PUERTO RICO	1	3	8	12
RHODE ISLAND	6	1	2	9
SOUTH CAROLINA	27	13	36	76
SOUTH DAKOTA	13	20	35	68
TENNESSEE	9	17	8	34
TEXAS	2	39	44	85
UTAH	8	2	5	15
VERMONT	7	0	9	16
VIRGINIA	15	14	27	56
WASHINGTON	15	9	15	39
WEST VIRGINIA	3	9	4	16
WISCONSIN	80	42	31	153
WYOMING	4	3	15	22
TOTAL	630	705	764	2,099

SUMMARY OF SUFFICIENCY RATING FACTORS



As I said, the sufficiency rating formula gives practically double the weight to structural deficiencies than it does to functional inadequacies, so that if a bridge is perfectly sound from a structural point of view, it would almost never get low enough on the sufficiency rating scale to warrant funding.

Mr. EDGAR. And you are confident that the bridge program, as presently initiated, is targeted sufficiently to deal with the unsafe bridge problems as a top priority over the functionally obsolete bridges?

Mr. LAMM. It is working out that way.

In addition, last year you asked us to report on the nine months following the enactment of the 1978 act on how that is working. We will plan to include a section on that in our report to the Congress later this year.

Mr. EDGAR. Moving to a second issue, the 1978 act amended the allocation formula for Interstate System resurfacing, to direct more funds to heavily-traveled portions of the system. The new formula distributes funds on the basis of interstate lane miles in use more than 5 years, and an added factor measures the number of vehicle miles traveled on such lanes.

My concern is that age and traffic volumes are not the only factors contributing to wear and tear, and I believe the formula should be changed to add at least two additional components—and I don't have the exact language that I am going to suggest. But let me suggest two areas:

First there would be a penalty for States permitting excessive axle weights, not so much the amount of pounds that a truck can carry, but excessive axle weights. I believe this penalty should be quite severe.

Second, a factor of some kind should be included to measure weather conditions * * * some kind of measure to recognize the fact that highways in some portions of the country, because of extreme changes in weather conditions, either extremely cold or hot, wear out faster than those in other parts of the country.

Do you think your research staff could look into additional factors—

Mr. BOWERS. Yes, we would be glad to do that.

Mr. EDGAR. The third area, in your testimony you talk about the Buy America provisions and the technical amendments that you plan. On first glance it seems to me that your technical amendments make sense.

As the author of part of that section, it would be helpful to me if you could provide my staff and myself with the kind of language you are suggesting.

Mr. BOWERS. We would be glad to. It is included in the package that we are sending over to the staff today.

Mr. EDGAR. Thank you.

Mr. Chairman, I have one final question, if I may be permitted to ask it.

As you know, in my district there is a very controversial interstate highway project, called I-476, which has been undergoing environmental analyses since 1973, a 5-year process so far. The basic design of the road was done in the early sixties, and much of

the work and environmental documents were aimed at making this design appear to be environmentally sound.

I get the distinct impression that the consultant, Penn DOT, and your District FHWA offices, were trying to finesse the environmental review process. A group of consulting engineers have worked with me for 2 years in reviewing the interstate project, and frankly they were appalled that the basic design concepts of the project were never seriously questioned during the EIS process.

You just can't put six lanes of freeway, with interior and exterior shoulders, plus a 25-foot grass median, down narrow, steep, wooded creeks and valleys in urban areas. In fact, this particular highway was politicized in such a way over the past 20 years so that it was placed in the remaining green space in a highly dense, highly urban area.

You also can't justify a design that ignores no fewer than six arterial rail transit lines that cross the highway's path, with no attempt made in any respect to interface with those arterial rail lines. I believe these problems will be worked out, and I am quite excited about the calibre of people that I have met at the Washington level and in the Washington office, both at FHWA and also in the Secretary's office. I want to thank you for your help in working these problems out.

Also, quite frankly, I am deeply concerned, that this road design got so far in FHWA that it seems the District Office was in bed with Penn Dot on the design. It also seems the road got past your Baltimore office without any fundamental criticism of the design.

We have a lot of FHWA field personnel and we should expect, in my opinion, better work.

Are you going to be able to sensitize them with environmental and mass transit concerns in designing urban highways in the future?

Mr. BOWERS. I think we have. This is a project that has been in process since before my time; however it is one that I am familiar with. I think that our people have been sensitized in the division offices to reflect the continuing concerns of the Washington headquarters.

I appreciate the comments you made about the people you have found in our offices, and I am pleased that that is the case. I think you would find that same sort of cooperation in the division offices now.

Mr. EDGAR. The concern is that it passed Harrisburg and Baltimore without any questions asked, and had the competence of your Washington office not been sharp, it is conceivable that highway, under a different leadership at the Washington level, would have passed on and been constructed without any commitment to upgrading the design factors.

Mr. BOWERS. I would be glad to provide you in writing a description of some of the instructions we have put out in the field to provide these same sort of insights.

Mr. EDGAR. Thank you. Thank you, Mr. Chairman.

Mr. HOWARD. The Chair recognizes the gentleman from Ohio, Mr. Harsha.

Mr. HARSHA. Thank you, Mr. Chairman.

Mr. Administrator, I am very pleased to not only hear your statement but to read your statement in full. Particularly on page 6, you indicate the two bridge demonstrations and acceleration projects are proceeding well.

As you know, this committee, as well as I personally, are hopeful that these demonstration projects will provide the methodology whereby we can reduce the time and expense involved in replacing bridges, through the elimination of some red tape, and with some of our problems that we have encountered before with the many Federal regulations that you have to comply with in order to construct a bridge. This not only will put the bridge in service much sooner than normally anticipated, and relieve the traffic and congestion, but will also save the consumers and the Federal Government, as well as the taxpayers, enormous sums of money in the final analysis.

One of these projects is the replacement of the U.S. Grant Bridge in the vicinity of Portsmouth, Ohio. The State of Kentucky, unfortunately, owns the Ohio River and they have to build the bridge. But whether the State decides to build a two-lane bridge adjacent to the existing bridge, or a new four-lane bridge in the vicinity of the existing bridge, it was made eligible for funding under the Acceleration of Bridge Projects provisions as well as under the bridge replacement program. In fact, the bridge is specifically named in the House report for discretionary bridge replacement funding.

One observation I would like to make to you, sir, is that it is my understanding your department or agency is promulgating regulations for the bridge replacement program in the near future; is that correct?

Mr. BOWERS. Yes, sir.

Mr. HARSHA. One area that I understand you will be addressing is what happens to the old bridge once the replacement structure is completed.

I would like to offer this observation, that I don't believe we should make any arbitrary or hard-and-fast rule. I think we need a certain amount of flexibility so we can make decisions in the best interest of the public. This particular bridge is a good example of why I believe we need this type of flexibility, because the closing of the existing bridge has literally been a catastrophe for the people and businesses of southern Ohio and northern Kentucky in that particular vicinity of Portsmouth.

A new bridge is very desperately needed, and yet it is going to take almost a decade to build that new bridge, despite the new expedited procedures. The State of Ohio will be repairing the existing bridge, and that is their responsibility, because again of a peculiar situation. They will be repairing the existing bridge, and that is with your help, for which we are thankful, so it can be put back into service in a minimum amount of time. It would be in service during the time it takes to build the new bridge.

My point is this; that once the new bridge is completed—let's say a four-lane bridge, several miles downstream—we will have to decide whether to close or to tear down the old bridge. However, if repairs were made, it may be able to handle a reduced level of traffic in a safe manner; thus, it might be in the best public

interest to permit that old bridge to remain open, rather than to be destroyed or torn down.

That is the reason I suggest that we might need some flexibility in those regulations that you are going to promulgate in the near future.

I would like to ask you, Mr. Administrator: Secretary Adams recently announced a five point program to put Federal transportation funds to work in the interest of urban revitalization. Would you describe this five point program to us? Are you familiar with it, or can you describe it specifically? Can you tell the subcommittee how it will affect the highway program?

Mr. BOWERS. I would prefer, if you would let me, to respond in writing. We would be glad to provide that for the record.

[The following was received for the record:]

FHWA RESPONSE TO QUESTION POSED BY MR. HARSHA

Question. Secretary Adams recently announced a five point program to put Federal transportation funds to work in the interest of urban revitalization. Please describe this five point program. How will it affect the highway program?

Answer. The five policy objectives which the Secretary has announced are:

1. Use of transportation funds as a magnet to support the general revitalization of central cities with particular attention to joint development opportunities and compatibility with local land use goals.

2. Discouragement of unnecessary use of scarce energy resources through urban sprawl and lengthy auto commuting, and encouragement of ridesharing and transit use through such devices as special bus and carpool lanes.

3. Significant steps to assure that those adversely affected by an urban project benefit from the construction of the project itself by such means as the establishment of reasonable percentages of contract funds and jobs for minorities and others affected.

4. Use of Federal dollars to repair and improve existing facilities as an alternative to building new facilities. The law and our budget constraints both require serious examination of such alternatives.

5. Analysis of tradeoffs between highway and transit investments where these investments are in the same corridor or otherwise compete for scarce Federal resources.

In our day to day work with the States, we will be guided by these policy objectives. These are not hard and fast regulatory requirements. They are new directions for the highway program which will make it more responsive to the significant issues of the day. We feel that the effect on the highway program will be positive because the policy objectives are intended to strengthen the positive social aspects of highway projects. We expect to get all the States to support us in pursuit of these objectives.

Mr. HARSHA. One other question that may lead into several others.

You have promulgated some proposed rules for implementing the major urban transportation investment, on December 7, 1978, and you set forth in those proposed rules the procedures for jointly administering the analysis of alternatives. That happens to be section 455.205 of those proposed rules.

You have set forth a number of things that the States would have to do, and you have received comments on them. We had a tremendous number of complaints, all members, from industry, the construction industry, the highway industry, as well as citizens, about the bureaucracy and red tape and rules and regulations that they have to comply with.

Now, here again is a new set of rules and regulations, which seem to be adding upon an already tremendous volume of regulations to comply with. I find this might be somewhat counterproduc-

tive to what Members of Congress want to do in trying to eliminate some of the red tape and some of the rules and regulations that our constituents are constantly confronted with.

How do you rationalize that movement in Congress, of the feeling among Members of Congress, where we have gone so far as to insert provisions in some of our bills which state that any rules or regulations that a Federal agency makes now have to be reviewed by the Congress, or approved by them, in order to get the message downtown that we want a lot of these rules simplified and we want them cut down, and we want them minimized so that people can comply with them without an overly burdensome problem.

Mr. BOWERS. The comment period on that particular proposal, which was a proposed rule and not a final rule, has just closed. We are evaluating the comments received. We have received the same volume of comments that you have, and we will be making a series of evaluations on all of the comments, pro and con, toward that proposed rulemaking before we go forward with a final rule. I certainly agree with you that we don't want to add any unnecessary or additional regulations.

Mr. HARSHA. Well, you seem to, in this section I referred to, the procedures for jointly administering the analyses of alternatives, you provide in there—and I don't know whether you have them or not—

Mr. BOWERS. No, sir, I don't have them. I would be glad to provide them.

Mr. HARSHA. Then it's a little difficult to discuss them. But I have them in front of me. You seem to have taken the turn, where heretofore this was solely the State's responsibility to decide where the highway was going to go and when it was going to be built, and how it was going to be built, providing it met the Federal criteria.

But in these regulations you say that when an applicant provides an environmental impact statement, for example, if that has some deficiencies in it, you are going to correct those deficiencies, either you or UMTA, whoever the modal agency will be, will correct them, as opposed to the applicant historically correcting them.

Let me just read this one:

If the project recommended for implementation meets local and national goals and objectives in a cost-effective manner, the final EIS will be processed on the recommended alternative.

In other words, the final EIS will be processed on the recommendation of the Federal Highway Administration or UMTA, as the case may be. That means to me, what you're saying, in effect, by these rules and regulations, that UMTA or the Washington office, or bureaucracy, or FHWA, if you will, is going to make the final assessment and the final change and the final judgment that is contrary to title 23, which says in section 145 that the authorization of the appropriation of Federal funds, or their availability for expenditure under this chapter, shall in no way infringe on the sovereign rights of the States.

You are taking that right away from them by these rules and regulations, in my judgment. Would you comment on that?

Mr. LAMM. Mr. Harsha, let me comment a little bit on that.

I understand the point you are making, and as Mr. Bowers mentioned, we are hearing this from a number of sources and the

comments that are coming in replying to the Federal Register issuance of last year.

The problem we have is that for one thing an environmental impact statement is a Federal document. This is the case not only for the Federal Highway Administration. It is the case across the board for all Government programs. So the eventual signoff does have to be by an FHWA official. That is not anything that we have any opportunity to change.

We have used the States as the primary source of supplying the information that is pulled together into the EIS. But when you come right down to it, basically, it has to have a Federal signature before it can be considered to be approved.

With respect to the joint regulations that you're talking about, we would anticipate that those would apply to a very limited number of complex urban corridors around the country. In many cases, those are corridors that are already receiving an evaluation about whether or not a particular interstate facility should be built. There are lists that we have given you previously of controversial interstate segments, and it has been our judgment that it doesn't make sense to independently go ahead with processing an environmental impact statement for a highway project when at the same time another element of the Department is considering whether or not to grant mass transit funds for a transit capital improvement.

We are trying to get our own internal act together and make sure that what finally comes out is a recommendation that serves both the highway and the transit demands.

Mr. HARSHA. But my concern is, you are going to make the recommendation to the State as to what they do, rather than the State making a recommendation to you as to what it should do.

Mr. LAMM. It will be a joint recommendation, Mr. Harsha.

For instance, there is no way we could unilaterally delete an interstate segment. That has to come to us as a joint State and local determination.

Mr. HARSHA. But you say in this regulation, at the end of this regulation period—

Mr. LAMM. That's the environmental impact statement.

Mr. HARSHA. That's right. The appropriate modal administration will address the questions and comments received and will correct any deficiencies.

Mr. LAMM. That's what happens now, Mr. Harsha.

Mr. HARSHA. That's what happens now?

Mr. LAMM. Yes, sir.

Mr. HARSHA. I thought the applicant corrected the deficiencies.

Mr. LAMM. It is a joint process. As I say, we have worked the State highway and DOT agencies into that process. UMTA works jointly with their funding recipient, be it a city or regionwide agency. But the final document that comes out is a Federal document, and it has to have some Federal agency's stamp of approval on it.

Mr. HARSHA. What about the alternative analysis that has to be prepared? Aren't you the ones that are going to be doing that?

Mr. LAMM. We would expect the State would do it, the State and, if there is one, the potential UMTA grant recipient. They would do

it in the first instance. But at the final decision point, it would, have to be acceptable to us, so there may be a case where we would work with the originators in rewriting that proposal.

Mr. HARSHA. I hope you would, and I hope you wouldn't do anything to destroy this Federal-State relationship that historically has highlighted the Federal aid to highways program, that the States will still be sovereign in their ability to determine what highways they want to build and what they don't want to build.

Mr. LAMM. Yes, sir.

Mr. BOWERS. I agree, and I hope we don't.

Mr. HARSHA. Thank you, Mr. Administrator. I personally want to thank you for what you are doing to expedite the bridge replacement program, particularly as it applies to the demonstration program.

That's all, Mr. Chairman.

Mr. HOWARD. Thank you.

Mr. Bowers, regarding regulations, I have heard you state publicly many times that "I have a position of not signing any regulations that I cannot clearly understand on the first reading." I don't know your educational background, but I do appreciate that. [Laughter.]

The gentleman from Illinois, Mr. Fary.

Mr. FARY. I wish to thank Mr. Bowers and his fine staff for appearing here today. At this time, I have no questions. However, if I do, I will submit them to you.

Mr. BOWERS. We would be glad to respond to any questions, sir.

Mr. HOWARD. The gentleman from California, Mr. Anderson.

Mr. ANDERSON. Thank you, Mr. Chairman.

Mr. Bowers, the Federal, State and local governments have invested significant amounts on the highway system. Do you have any figures on how much each—Federal, State and local—have each spent? I would like to have you get that for the record.

Mr. BOWERS. We have that and we would be glad to supply it. [The following was received for the record:]

FHWA RESPONSE TO QUESTION POSED BY MR. ANDERSON

Question. The Federal, State, and local governments have invested significant amounts of money in our highway system. Do you have any figures on how much each—Federal, State, local—have indeed spent?

Answer. Over the last 20 years, that is 1957 to 1976, all levels of Government have expended about \$349 billion for highways. Highway funds are provided primarily by the Federal and State Governments, \$98 billion (28 percent) and \$194 billion (56 percent), respectively. Most of these revenues are generated from user charges. Local governments provided the remainder, \$57 billion (16 percent), which are derived from property taxes and local general funds.

Over this 20 year period, capital improvements have accounted for \$193 billion (56 percent), maintenance and operation costs have accounted for \$83 billion (24 percent) and \$73 billion (20 percent) has been spent for administration, highway patrol and safety, and debt service on bonds issued for roads.

Mr. ANDERSON. We have before us a \$51 billion 4-year program in California for new highway construction that has all but stopped, and the reason is because we have to redirect our funds to maintain our existing system to protect our investment.

Now, what are your priorities? Do you favor rehabilitation or new construction? How much will we spend over the next 5 years just to maintain our present system, and are there sufficient Federal authorizations on the books?

Now, will you prepare that and answer it for the record. Also, could you give us your attitude on this.

Mr. BOWERS. I would be glad to expand at length on that. I would say the new act itself shows a greater interest, a tremendously greater interest by the Congress and by the administration, in rehabilitation.

I support this new emphasis. I think that going in to protect the massive investment on all those levels that you mentioned previously is a proper thing for us to be doing. I would say the States still makes the choice as to where their money could be used, and I think that is still proper. I think you will see us involved in rehabilitation much more than ever before, and I think that is a continuing role and a proper role.

Mr. ANDERSON. You mean if a State has a great deal of rehabilitation necessary, and they still want to build highways, you will allow them to build more and more, even though they can't maintain the present ones?

Mr. BOWERS. No, sir.

Mr. HOWARD. If the gentleman would yield, on primary and secondary systems, particularly where we did add money in this bill, it was stipulated that that percentage of new money must be used for upgrading and modernization, as such.

However, any or all of the primary and secondary money may be used for upgrading existing highways, if that is the need.

Mr. BOWERS. That is correct.

Mr. HOWARD. In other words, they cannot use the additional amount, which is upgrading money, for new construction. But they can use not only that additional money, but all their primary money in a year, if they wish to, on upgrading.

Mr. ANDERSON. I am told in California that most of our work is maintaining the present system. Of course, we have a problem then of proceeding with the roadbuilding program if you have to maintain an open system. I just wanted to have you clarify that a bit, as it relates to what our goal or objective was.

Mr. BOWERS. If you understand my point about the State's choice, the States could use the money for rehabilitation. The major concern in California is some of the gaps in the Interstate System which I think would weigh equally with the reconstruction program. I think the State is well aware of it and well aware of our concern and the concern of this committee about closing those gaps.

But the State has the choice to use for rehabilitation either the amount that is required or more.

Mr. ANDERSON. I want to echo the Chairman's comments a moment ago about the bicycle situation. As the author of that amendment, I was very disappointed that after we had authorized \$20 million, not \$1 was put in for that. We had a great deal of support, and when we introduced that amendment almost every member of the committee came up and said they wanted to help me. About the only criticism I received was that \$20 million was insufficient to even get started.

Our State of California says the existing 217 program will not be for bikeways, that it is too restrictive and the competition for highway projects is just too fierce. California has a \$30 million bike

project under the 1976 act for that whole area, and they were only funded \$300,000.

Now, my question is, how can you justify not seeking even \$1 million for this mode and, in failing to request an appropriation for this money, the Administration has, in effect, I believe downgraded the program. Is this not inconsistent with the President's energy, inflation, and transportation policies, not to mention the physical fitness program?

Mr. BOWERS. I would only mention, as Mr. Howard mentioned earlier when he reiterated our point, that those special programs are available under the regular Federal-aid category.

Mr. ANDERSON. They can't get it. The competition—it's currently mixed up in competition.

Mr. BOWERS. The competition is tough.

Mr. ANDERSON. But there's no chance. That's why we specifically put it in as a separate program, so that at least you would have something to start going with. You know, it's really not enough to just think about starting.

Mr. BOWERS. I agree, the competition is stiff, but it's a choice the States can make. Funds are available to them for bikeway projects, out of the regular Federal-aid programs.

Mr. ANDERSON. Then why do you think we amended the bill to have it separate for bikeways? We didn't leave it like it was in 1976. For what reason did we insert this special bikeway program, with legislative emphasis signed by the President, and now it is totally ignored?

Mr. BOWERS. The bikeway program is one of those programs that fell below the line.

Mr. ANDERSON. It sure did.

I just want to point that out again. I think every member of this committee talked to me and said they were in favor of this, and it apparently had unanimous support. It had tremendous support.

Mr. BOWERS. I support the bikeway program, and we have encouraged the States to make that tough choice and use some of those highway funds for bikeway programs.

Mr. ANDERSON. That's missing the point, though, as to why we made specific mention of that in the law. We wanted it set aside for that amount.

Mr. BOWERS. I understand your point.

Mr. ANDERSON. Secretary Adams assures us that any new surface transportation administration will not result in UMTA being swallowed up by the much larger Federal Highway Administration.

Now, to safeguard this, would you be willing to see a transit-oriented official become the head of the new agency?

Mr. BOWERS. I wouldn't want to preclude the President making that choice, based on the Secretary's recommendation. I am sure that would be one of his considerations.

Mr. ANDERSON. If he chose a transit-oriented official, would you like to see that—I mean, we're all afraid it is going to get buried.

Mr. BOWERS. Since I might be a candidate, I wouldn't want to say anything that would be construed as an endorsement of another individual.

Mr. ANDERSON. My last question is purely a local one. The 1978 act added the Harbor Freeway in Los Angeles with the Interstate

System. How will this designation affect the Federal-State matching ratios for such projects, like the hookup of State Route 91 to this new Harbor Freeway? Will more Federal funds then become available?

Mr. BOWERS. First of all, yes, we have designated it. I'll let Mr. Lamm expand on the funding.

Mr. LAMM. It won't influence the Federal-State matching ratio for the State of California, Mr. Anderson. The impact will come when the Harbor Freeway costs are added into the unbuilt Interstate costs. California's cost estimate then influences the size of the annual apportionment to the State.

Mr. ANDERSON. Thank you very much, Mr. Chairman.

Mr. HOWARD. Thank you.

The gentleman from New Hampshire, Mr. Cleveland.

Mr. CLEVELAND. Thank you, Mr. Chairman.

If I understood your earlier testimony, somebody told you fellows that you would have to knock a billion dollars off your request?

Mr. BOWERS. We were given a budget mark.

Mr. CLEVELAND. Is that what you call it, a "budget mark"?

Mr. BOWERS. Yes, that is given to us by OMB.

Mr. CLEVELAND. OMB gives you a budget mark?

Mr. BOWERS. Yes.

Mr. CLEVELAND. And they said you'll have to knock off about a billion dollars; is that right?

Mr. BOWERS. Which required us to prioritize our programs.

Mr. CLEVELAND. I don't care about that. I mean, it was approximately a billion dollars less than Congress had authorized?

Mr. BOWERS. It's a billion dollars less than authorized, but a billion dollars more than we had in 1978.

Mr. CLEVELAND. I understand.

So OMB gives you what you call a budget mark, and then you guys have got to decide which programs you're either going to eliminate or reduce, correct?

Mr. BOWERS. Yes, sir.

Mr. CLEVELAND. You take the heat for the specific cut, and OMB takes the heat for the overall cut?

Mr. BOWERS. Yes, sir.

Mr. CLEVELAND. I just want to find out about this new game. You know, as I recall it, it used to be impoundment. Then we passed the anti-impoundment law, and now we have a new game, which is that we just don't ask for the funds; isn't that about the size of it?

You can't call it impoundment, of course, but it sort of looks like one to me.

Mr. LAMM. Mr. Cleveland, one item that makes the game new is that Congress itself gives us the mark by establishing the program level that can't be exceeded. This committee, and the Appropriation Committees get together and jointly decide on that. So it is a totally different situation than it was in the late sixties and early seventies, when the role of the executive branch in setting program levels was much larger than that of the Congress.

Mr. CLEVELAND. But under the rules of this new game, if you perform your job wisely and well, you can knock out the popular programs on the assumption that Congress will put them back in,

but you still are heroes for coming up here with a request for less expenditures.

Mr. BOWERS. We listed our priorities and programs and we didn't change them around. We spent a lot of time listing them, and I think we properly put the Federal-aid highway program in first, which is the bulk of our program and what I think is our most basic responsibility.

Mr. CLEVELAND. Of course, that's contract authority.

Mr. BOWERS. Yes. Then when the mark came in, we had to eliminate the programs that were over and above the mark.

Mr. CLEVELAND. I understand. I just wanted to get a feeling for what is happening.

Mr. LAMM. The budget people have a term for that. They call it the "Washington Monument" approach, where an agency of the Interior Department might say "we're not going to fund anything that has to do with the Washington Monument", knowing that because of the interest in tourists it would be replaced. But we did not play that game.

One thing that did happen was that as the budget proceeded from the Federal Highway Administration through to the Congress, there were some smaller changes made by every agency that reviewed it. That, again, is only natural in the budget process.

Mr. CLEVELAND. I have just one more question.

On page 5 of your prepared statement you speak about the bridge program, and you say you are pleased to report that the implementation of section 124 of this act is moving very quickly. Then you go on to say that to date a total of \$29 million has been allocated for 12 bridges.

I don't consider that very quick in view of the size of the problem.

Mr. BOWERS. You're looking at the discretionary bridge fund, which is \$200 million. It is the overall bridge replacement money, for which almost a billion dollars is available, that we refer to as moving very fast.

We are well ahead of what we were doing last year in total bridge replacement.

Mr. CLEVELAND. My copy of the statement is dated March 14, 1979. Has that been changed?

Mr. BOWERS. No, sir. I think you're confusing the discretionary bridge program, which is funded at \$200 million annually, as opposed to the almost billion dollar bridge program for all the bridges.

Mr. CLEVELAND. Then if what you say is correct—and it isn't too clear from your statement that that's what the situation is—how much of the billion has been obligated?

Mr. BOWERS. \$154 million, which would include just the first quarter and first 2 months in the second quarter.

Mr. LAMM. That rate, Mr. Cleveland, is much faster than the bridge program has had in any previous year. In fact, the bridge program, until 1979, was only \$180 million for the entire year. So that in the first 5 months of this fiscal year we have already obligated—if you add the regular program, plus the discretionary bridges—we have already obligated more in the first 5 months than we would have had for the entire 12 months previously.

Mr. CLEVELAND. Thank you

Mr. HOWARD. Thank you.

The gentleman from North Carolina, Mr. Hefner.

Mr. HEFNER. I have no questions, Mr. Chairman.

Mr. HOWARD. The gentleman from California, Mr. Mineta.

Mr. MINETA. Thank you very much, Mr. Chairman.

Mr. Administrator, we have dealt with this whole question of this mark that was given to you by OMB. Could you give us an idea as to how—You had, I assume, a list of priorities from your own perspective, and then you were given the mark, and then you had to determine that.

Mr. BOWERS. First of all, we had a budget request that went up to the Department—

Mr. MINETA. How much was that for?

Mr. BOWERS. We provided that for the record. I don't have the exact figure, but I would be glad to give it to you. It is somewhat larger than what the Department took over to OMB. And then the overall budget figure was given to us. We had already determined our priorities.

Mr. MINETA. You just go right down that list—

Mr. BOWERS. Yes, sir.

Mr. MINETA [continuing]. And then you cut off anything below that mark?

Mr. BOWERS. Yes, sir.

Mr. MINETA. Was there anything originally below the mark that was then moved up—

Mr. BOWERS. I don't think so.

Mr. MINETA [continuing]. And substituted for something above that mark?

Mr. BOWERS. We did shift up one small project, in motor carrier safety, which was just below the line, and which was very small. I would have to take a look and see what fell out because of that. But that's the only one I remember shifting.

Mr. MINETA. Following up on what Mr. Cleveland said about the five-fold increases in the bridge program, has this overtaxed the engineering and contracting resources that might be available out there?

Mr. BOWERS. We had anticipated the bridge program would have increases. The administration's bill, in fact, recommended an increase of about two-and-a-half times, so we had warned the States to be ready for it. So most of the States are ready to go to contract on the number of inferior bridges they need to have replaced and work done on. So I think the States were prepared in this case.

It is not a new program, just an expanded program. So I don't think it will take them as long to catch up.

Mr. MINETA. What about this program called "emphasis"? Could you explain the components of that program?

Mr. BOWERS. I think what you are referring to is the administrator's emphasis programs, things that I personally feel are important. I have communicated to our regional offices and, in turn, to the Division offices, that these are things that I would like them to concentrate on.

Some of them that I can remember off the top of my head were the completion of the interstate program, safety, minority business enterprises participation, and a number of others.

Mr. MINETA. Could you provide that for the record?

Mr. BOWERS. Yes; I would be glad to.

[The following was received for the record:]

Trans p. 87, line 1619

U. S. DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

SUBJECT

PROGRAM EMPHASIS AREAS--FISCAL YEAR 1979

FHWA ORDER

October 16, 1978
1000.1D

- Par. 1. Purpose
 2. Cancellation
 3. Scope
 4. Objectives
 5. Background
 6. Description
 7. Reporting Requirements
1. PURPOSE. To establish program areas which the Federal Highway Administration (FHWA) will give special emphasis to in fiscal year 1979.
 2. CANCELLATION. FHWA Order 1000.1C, Program Emphasis Areas is canceled.
 3. SCOPE. All FHWA organization levels.
 4. POLICY. Program Emphasis Areas are developed by the Administrator to set forth the FHWA's program priorities for the short term and assure that all levels of the agency are made aware of these priorities.
 5. BACKGROUND. To assist the organization in identifying those responsibilities that should receive top priority during each fiscal year, FHWA has established Program Emphasis Areas. They describe the most important program areas that are to be emphasized by FHWA in allocating available manpower and other resources among the many agency responsibilities.
 6. DESCRIPTION.
 - a. The Program Emphasis Areas contained in the attachment to this Order were arrived at through a cooperative process involving the Administrator, Deputy Administrator, Executive Director, Regional Administrators, Associate Administrators, and Staff Office Directors. Final selection of Emphasis Areas is the responsibility of the Administrator.

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OPI:
HOA-1

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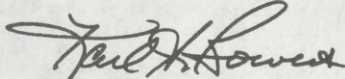
- b. The list of Emphasis Areas should not be construed as limiting efforts in areas that are omitted. The Federal Highway Administration has the responsibility to see that all Federal-aid highway programs are effectively administered. Within this framework, and consistent with executive branch policy guidance, the Program Emphasis Areas described in the attachment intend to show where additional emphasis, agencywide, will further the accomplishment of current priority objectives. It is intended that the list will be updated at least annually to reflect current priorities.
- c. Each Emphasis Area lists specific nationwide objectives for Fiscal Year 1979. It is understood that these objectives will not necessarily be equally applicable in each division or region. In turn, field offices may wish to adopt additional objectives particularly applicable to their needs. Any subnational objectives and targets should be arrived at in consultation with the appropriate Headquarters program offices. The process is intended to provide each office with the maximum management flexibility to plan and implement according to its particular situation.
- d. Suggested measures for reporting Emphasis Area accomplishments have been included for each objective. This listing is not meant to be all-inclusive, but to indicate the need for setting quantifiable targets or goals for each area and measuring accomplishments in these terms.

7. REPORTING REQUIREMENTS.

- a. Formal progress reports are not required. However, to enable Regional Administrators, Headquarters program offices, and the Administrator's office to ascertain whether the stated objectives are being achieved, significant accomplishments or problems should be described in the monthly narrative reports. This approach is being used to keep paperwork to a minimum.
- b. The August 1979 monthly narrative should contain a narrative summary of activities and achievements in

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carrying out the Emphasis Area objectives.
End-of-year results, in terms of specific measures
will be summarized after the close of the fiscal
year.

A handwritten signature in dark ink, appearing to read "Karl S. Bowers", with a stylized, flowing script.

Karl S. Bowers
Federal Highway Administrator

Attachment

FHWA ORDER 1000.1D
October 16, 1978
Attachment

Emphasis Area I--Highway and Motor Carrier Safety

The safety-related activities of the Federal Highway Administration include a wide range of promotional, regulatory, and direct enforcement activities as well as financial assistance programs. While agency staff action during FY 1979 in all safety areas is to be maintained at a high level to ensure overall program effectiveness, special efforts are to be undertaken in the following areas:

Specific Objectives for FY 1979

Measures

- | | |
|---|---|
| 1. Increase inspection and enforcement activities of motor carrier transportation, with particular emphasis on the equipment and practices involved in the bulk transport of hazardous materials. | <ul style="list-style-type: none"> ● Total vehicle inspections performed ● Number of vehicles carrying bulk hazardous materials inspected ● Number of prosecution actions initiated, by type and extent of repeat violations |
| 2. Promote and gain State/local compliance with new policies and standards contained in implementing regulations governing the safety of motorists in construction zones on Federal-aid projects. | <ul style="list-style-type: none"> ● Percent of compliance by State/local agencies |
| 3. Initiate followup reviews to ensure that needed actions are taken in response to the "Yellow Book" reviews. | <ul style="list-style-type: none"> ● Number of followup reviews accomplished |
| 4. Evaluate States' vehicle size and weight enforcement program in terms of effectiveness and compliance with specific State assurances. | <ul style="list-style-type: none"> ● Division office evaluation report to accompany each State's certification |
| 5. Increase effectiveness of Rail-Highway Crossing Program by upgrading existing inventories and extending coverage to all off-system locations. | <ul style="list-style-type: none"> ● Evaluation of States' inventory in terms of currentness and coverage |

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Emphasis Area II--System Operation and Management

During periods of limited resource (manpower, materials, capital) availability, programs that conserve, increase the service life, and improve the efficiency of our existing transportation network take on greater importance. During FY 1979, special emphasis will be placed on the following activities:

Specific Objectives for FY 1979

Measures

- | | |
|---|---|
| 1. Develop and implement a national program to assist the States in strengthening their pavement management practices and procedures. | ● Progress reports by Headquarters and field offices involved |
| 2. Promote and encourage increased use of available Federal assistance for transportation system management improvements, including park and ride and high-occupancy vehicle incentive measures. | ● Number of TSM projects/programs initiated
● Dollars obligated for TSM/HOV measures |
| 3. Promote and implement systematic resource and energy conservation measures in highway design and construction, such as improved traffic signal systems and pavement recycling projects. | ● Number of demonstration projects completed
● Number of nonresearch projects underway or planned |
| 4. Ensure the prompt and effective implementation of an expanded bridge replacement program, including the expansion of bridge inventory and inspection activities to include off-system bridge and rehabilitation needs. | ● Percent coverage of bridge inventory and inspection programs
● Number and cost of special bridge projects underway |
| 5. Promote expeditious delivery of urban system funds to achieve \$1 billion in obligations. | ● Urban system funds obligated |
| 6. Promote and implement commuter ridesharing programs including vanpools. | ● Number of projects initiated
● Urban system/primary funds obligated |

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Emphasis Area III--Civil Rights

The internal and external civil rights programs of the Federal-aid highway program continue to merit special emphasis. Within the agency, affirmative action by supervisors is necessary to achieve departmental goals. Externally, continued review, combined with increased technical assistance to the States, is essential.

Specific Objectives for FY 1979

Measures

- | | |
|--|---|
| 1. Take affirmative action to recruit, select, and place members of minority groups and women so that such persons account for 30 percent of all persons hired during FY 1979 to full-time professional and technical positions within FHWA. | <ul style="list-style-type: none"> ● Percent minority males hired ● Percent minority females hired ● Percent nonminority females hired |
| 2. Complete studies and implement upward mobility plan in each FHWA organizational unit per <u>FHWA Notice N4700.3</u> . | <ul style="list-style-type: none"> ● Percent completion of studies ● Number of plans approved |
| 3. Review minority and female employment in State/local highway agencies and encourage increased utilization. | <ul style="list-style-type: none"> ● Number of reviews completed ● Percent minority and female employment |
| 4. Promote and gain State/local compliance with new guidelines contained in implementing regulations governing Title VI program. | <ul style="list-style-type: none"> ● Percent compliance by State and local agencies by September 30, 1979 |
| 5. Increase MBE awards by reaching or exceeding the goals as set forth in the FHWA plan implementing DOT Order 4000.7A. Dollar goals are: | <ul style="list-style-type: none"> ● Percent of goal achieved |
| <ul style="list-style-type: none"> ● Federal aid ● Direct Federal construction ● Headquarters contracts and procurement | <ul style="list-style-type: none"> - \$150 million - \$ 6 million - \$ 5 million |

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Emphasis Area IV--Procedural Improvements

The program has many areas where new and continuing requirements, reviews, etc., necessitate the involvement of other Federal agencies. To maximize the effectiveness of these joint efforts, yet minimize their adverse effects in terms of delay, duplication, etc., FHWA needs to continually (1) work with other Federal agencies to provide consistent and complete requirements so that State and local agencies can expeditiously comply with legislative intent, and (2) encourage the States to adopt procedural improvements where Federal interagency requirements allow simplification, delegation, use of lead agency, etc.

Specific Objectives for FY 1979

Measures

- | | |
|--|---|
| 1. Work closely with EPA and States to comply with the requirements of the Clean Air Act Amendments of 1977. | ● SIP's submitted for approval |
| 2. Advance the single audit concept by reviewing all States for conformance with FHPM 1-9-1-1 and encouraging DOT States to improve single audit arrangements for applicable Federal DOT programs. | ● Status of control measures implemented in nonattainment areas |
| 3. Stress effective State utilization of Certification Acceptance (CA). | ● Number of States conforming with FHPM 1-9-1-1 |
| ● Assist additional States to qualify and apply for Certification Acceptance | ● Number of audit improvements initiated |
| ● Undertake systematic reviews of approved State Certification Acceptance procedures and products. | ● Number of States using full CA |
| | ● Number of States using modified CA |
| | ● Systematic review/procedure status report |

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October 16, 1978

Emphasis Area V--Interstate Program

The Interstate program continues to be a high-priority concern. In addition to completion of intercity gaps and the resolution of controversial links, there is a growing need to preserve previously constructed sections at a high-service level.

Specific Objectives for FY 1979

Measures

- | | |
|--|--|
| 1. Encourage States to utilize available assistance to close intercity gap mileage. | ● Intercity gap mileage:
- Open to traffic
- Placed under contract |
| 2. Consistent with cutoff dates that may be established by legislation, work with States to resolve controversies on all remaining unbuilt sections. | ● Number of affected route sections

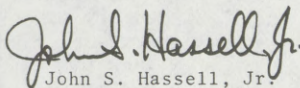
● Schedules developed for key decision reports and dates |
| 3. Promote full use of available financial assistance for 3R work and encourage States to establish priority system for project selection. | ● 3R projects undertaken with Interstate 3R and other funds:
- Dollars obligated
- Miles improved

● Number of States with priority use criteria established and ranking process initiated |

 U. S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION	
SUBJECT PROGRAM EMPHASIS AREAS--FISCAL YEAR 1979	FHWA ORDER 1000.1D CHG. 1

December 29, 1978

1. **PURPOSE.** To add special emphasis to combating inflation in highway construction costs.
2. **EXPLANATION OF CHANGE.** The record high increases in the Federal-aid highway bid price index that occurred during the second and third quarters of 1978 make it increasingly important that we accelerate our efforts to combat inflation in the highway construction program. These increases far exceed those experienced in the general economy that triggered the President's wage price guidelines. Future inflationary pressures, such as material shortages, price instability, and wage rate renegotiations, could drive highway costs even higher. A combined Federal, State, local, and industry effort to blunt or control these pressures is essential.
3. **ACTION.** Additional effort must be made to assure that all possible measures are taken to avoid or counteract further cost increases through improvements in our design, construction, and contracting procedures. Specific policy guidance and suggestions are contained in FHWA Notice N 5080.82 "Combating Inflation in Highway Construction Costs."
4. **ADDED PROGRAM EMPHASIS AREA.** The attached Emphasis Area VI--Combating Inflation in Highway Construction Costs--is added to the Fiscal Year 1979 Program Emphasis Areas.



John S. Hassell, Jr.
Deputy Federal Highway
Administrator

FILING INSTRUCTIONS. Remove page 5 of the Attachment and insert the attached pages 5, 6 and 7. After making this change, this transmittal should be discarded.

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FHWA ORDER 1000.1D, CHG. 1
December 29, 1978

Emphasis Area V--Interstate Program

The Interstate program continues to be a high-priority concern. In addition to completion of intercity gaps and the resolution of controversial links, there is a growing need to preserve previously constructed sections at a high-service level.

Specific Objectives for FY 1979

Measures

- | | |
|--|--|
| 1. Encourage States to utilize available assistance to close intercity gap mileage. | <ul style="list-style-type: none"> ● Intercity gap mileage: <ul style="list-style-type: none"> - Open to traffic - Placed under contract |
| 2. Consistent with cutoff dates that may be established by legislation, work with States to resolve controversies on all remaining unbuilt sections. | <ul style="list-style-type: none"> ● Number of affected route sections ● Schedules developed for key decision reports and dates |
| 3. Promote full use of available financial assistance for 3R work and encourage States to establish priority system for project selection. | <ul style="list-style-type: none"> ● 3R projects undertaken with Interstate 3R and other funds: <ul style="list-style-type: none"> - Dollars obligated - Miles improved ● Number of States with priority use criteria established and ranking process initiated |

FHWA ORDER 1000.1D, CHG. 1
December 29, 1978

Emphasis Area VI

Combating Inflation in Highway Construction Costs

The record high increases in highway construction costs that occurred during the second and third quarters of 1978 make it increasingly important to combat inflation in the Federal-aid highway program. These increases far exceed those experienced in the general economy that triggered the President's wage price guidelines.

Specific Objectives for FY 1979

1. Promote and gain State/local cooperation in a vigorous action program to hold down cost increases on Federal-aid highway construction per FHWA Notice N5080.82, "Combating Inflation in Highway Construction Costs."
2. Implement, in cooperation with other Federal agencies, design and construction policies and procedures per FHWA Notice N5080.82, "Combating Inflation in Highway Construction Costs," where not in conflict with Federal procurement regulations, to hold down cost increases on direct Federal highway construction.
3. Promote, evaluate and/or improve use of national and State indicators designed to monitor character of work and cost trends.

Measures

- Changes in national and State highway construction cost price indices.
- Number of projects revised and/or readvertised to include cost cutting measures.
- Number of design and construction procedures modified to promote cost/price effectiveness.
- Number of projects revised and/or readvertised to include cost cutting measures.
- Number of design and construction procedures modified to promote cost/price effectiveness.
- Number of States using their own product/price indicators.
- Trends in construction work volume and prices.

FHWA ORDER 1000.1D, CHG. 1
December 29, 1978

Specific Objectives for FY 1979

Measures

- | | |
|--|--|
| 4. Promote and gain support for transportation cost cutting procedures and the President's wage price guidelines among State/local transportation agencies and contractor/supplier/labor groups. | ● Number of agency and industry meetings held and significant results. |
| 5. Evaluate Federal, State and local contracting procedures to identify and implement changes that will improve competition. | ● Number of contracting procedures modified to improve competition. |
| 6. Promote appropriate value engineering procedures in the design and construction phases. | ● Number of States utilizing formal value engineering procedures in the design process and value engineering clauses in contracts. |

Mr. MINETA. Are there any programs, other than highway programs, that would be funding car pools and van pools?

Mr. LAMM. We do have a small demonstration program, operated jointly with UMTA, that is just getting underway. This will use administrative funds that come through UMTA and the Federal Highway Administration budget process, as opposed to the Federal-aid funds that the States administer.

Mr. MINETA. Have any of those applications been funded?

Mr. LAMM. We are just in the process of getting information out on that demonstration program. We would expect a large number of applications to come in, and over the next few months we will be evaluating the applications.

Mr. MINETA. When you evaluate those applications, do you bring the Department of Energy into this discussion at all?

Mr. LAMM. We will get some input from the Energy Department, yes, sir.

Mr. MINETA. I would like to go back to this 55-mile-an-hour enforcement and compliance issue. I am still not very clear in my own mind as to what your role is and what NHTSA's role is as to compliance standards, enforcement, et cetera.

Mr. BOWERS. Basically, we solicit the information and compile it for NHTSA.

Mr. MINETA. You compile the information?

Mr. BOWERS. The enforcement information that comes from the States—the compliance information on the 55-mile-an-hour speed limit.

Mr. MINETA. Compliance against what?

Mr. BOWERS. Well, maybe what you're alluding to are some of the new State laws that seem to be aimed at circumventing the enforcement level.

Mr. MINETA. People are getting tickets now for going 55 miles an hour, whether in violation of the energy savings act or whatever—

Mr. BOWERS. Right. This is something that is a new factor that we are putting into our evaluation. We have considered whether it was an effective enforcement program before, but this is the first time we have seen States go out in a wholesale effort to try to circumvent the law.

Mr. MINETA. So where is the relationship then between your administration and NHTSA?

Mr. BOWERS. Of course, the statute would provide for the withholding of Federal-aid highway funds if the enforcement was not satisfactory. They would be withheld from the state if it was decided there was not an effective compliance program.

Mr. MINETA. Who makes that determination of whether or not if it's an effective compliance program?

Mr. BOWERS. The Secretary.

Mr. MINETA. Does the information come from NHTSA, and you just carry out what the Secretary determines?

Mr. BOWERS. No, we would be involved in the recommendations to him, and we would have helped develop the compliance data. I am sure he would weigh both suggestions. But the Secretary's office would make the actual decision.

Mr. MINETA. Then what is NHTSA's role in this determination?

Mr. BOWERS. Well, they are to encourage the States to enforce it. They have programs available that would encourage the States to enforce it. They would also evaluate the information that we provide to them, and also provide that information to the Secretary with a recommendation on the various States as to whether they were successful or not successful.

Mr. MINETA. The Secretary announced his five-point program relative to the urban investment policy, and he had indicated that highway money was badly spent and invested in a way that did not build the cities, but destroyed them.

As a mayor, I sometimes felt that same way about the high way program, and questioned whether it was working in concert with an urban policy. Can you identify specific policy changes for future highway programs which will change the impact of the highway program on urban areas?

Mr. BOWERS. We are developing those now, and we would be glad to provide them to you. We have not put anything out as of yet, and within our own Department we're still developing it.

Mr. MINETA. Mr. Administrator, thank you very, very much.

Mr. BOWERS. Thank you, sir.

Mr. MINETA. Thank you, Mr. Chairman.

Mr. HOWARD. The gentleman from Minnesota, Mr. Stangeland.

Mr. STANGELAND. Thank you, Mr. Chairman.

I have about three areas I would just like to touch on with you, to see what your impressions and attitudes might be.

First, I would like to touch on the beautification aspect and bring to your attention something that is happening up in my District, which is the 7th District in the northwest corner of Minnesota.

I am not opposed to beautification and I think we ought to make highway travel as attractive to people who are traveling on our highways as possible. But there are some things that are being done that I think are totally impractical.

There is a great deal of shrub and tree planting going on. I am having research done as to the amount of dollars. It is substantial—at least I feel it is—particularly in light of the pressure that is being brought to bear on the highway dollars, and the fact we need the money for constructing roads and then for rebuilding and reconstructing roads.

That's a prairie area. We just don't have trees along there. The only thing we have are farmsteads, shelter belts, things of this type. It causes a problem in that we have snow and winds and drifting, where this causes the roads to close up about as rapidly as the secondary roads do, even if they are four lanes.

I think this planting of trees and shrubs is going to cause a problem in the winter as far as snow removal; it causes a need for additional sanding and salting; that salting and sanding kills the trees and shrubs. I just don't think that's an appropriate way to spend money in highway beautification.

Mr. BOWERS. The money that you're talking about, which is in fact for landscaping, comes out of the regular Federal-aid highway account, as opposed to the beautification program.

As I indicated previously with respect to the beautification program, we're doing a total reevaluation of it this year. We'll have

that done by the end of this calendar year, and we have not requested any funds for the beautification program for this year.

Mr. STANGELAND. I caught part of that, and then the Chairman was questioning you on that.

Mr. BOWERS. Yes, sir.

Mr. STANGELAND. I don't think we're in total disagreement, Mr. Chairman, but as far as priorities, we might be somewhat in disagreement on the emphasis on beautification.

Then the other question, another question I would like to raise—and you were discussing it just as I walked in, and I just glanced through your statement—and that was the question of utilities on rights-of-way.

I had legislation in the last session that would allow utilities siting to be adjacent to rights-of-way. I am wondering who would regulate and be able to preclude the utility siting adjacent to rights-of-way. I am not so concerned, and I think we may have a problem in putting utility lines, say, in Minnesota, in my district, where we have the powerline controversy which is very severe and has gone on for some time, crossing prime farmland, and I saw this as a means of alleviating some of that farmer problem that we have.

I can see the problem of utilities on rights-of-way, but adjacent to, I am thinking that's not quite the problem. And yet I think it does conflict with the beautification aspect. I am wondering if that's a highway DOT determination, or whether they would control—

Mr. BOWERS. The States would control that.

Mr. STANGELAND. And the environmental quality council or board of a State would be the determiner of whether or not—

Mr. BOWERS. Different agencies in different States. But it would be the State agencies themselves.

Mr. STANGELAND. Without some kind of a law, would they be in conflict with the Federal beautification program by siting a powerline alongside of a highway?

Mr. BOWERS. Not if it was off the right-of-way involved.

Mr. STANGELAND. It would not?

Mr. BOWERS. I don't think the powerline would be in conflict, no, sir.

Mr. LAMM. The only problem they would have would be if it involved an interstate highway or another controlled-access highway, where the original agreement between the State and ourselves was to maintain no access along a certain element of the highway. If the powerline came in off the right-of-way, but still required maintenance access for utility employees, that would be a break in the access control provisions and we would have to come back and deal with the State on that.

But the concept of having a powerline off the right-of-way but adjacent to a highway is not prohibited by the Beautification Act.

Mr. STANGELAND. I am wondering if there is a parallel between a set of powerline towers and billboards.

Mr. LAMM. Not unless someone advertised different products on the powerlines.

Mr. STANGELAND. All right.

Then the last issue I would like to bring to your attention is, in the last session I had legislation which this subcommittee and the full committee and the House adopted on energy impact rail-highway crossings, a Federal program to assist communities in alleviating that problem, the impact that is created by the movement of coal trains. Those coal trains are impacting heavily inside my district in Minnesota.

We also have the energy impact on public roads, and I was wondering if the legislation along this line isn't consistent with the President's policy that we're providing for energy impact statements of society, where there should be some comment or response to—

Mr. BOWERS. We are required to furnish a report to Congress this year, based on those very same questions that you outlined.

Mr. STANGELAND. Do you have any timeframe for that so that we might anticipate—

Mr. LAMM. The legislation requires a report by the end of March. We already know we're not going to make that, Mr. Stangeland. It will be some time later in the year.

Mr. STANGELAND. Very good. Thank you.

Thank you, Mr. Chairman.

Mr. HOWARD. The gentleman from Pennsylvania, Mr. Atkinson.

Mr. ATKINSON. Thank you, Mr. Chairman.

The State of Pennsylvania, as you no doubt know, has 42,000 miles of highways, more than any other State, with 22,000 bridges on the Federal highway system, 6,000 of which need to be completely replaced and 4,000 partially replaced. The State has not even figured out yet what to do about the other 12,000. That is one of the reasons why I wanted to serve on this committee, and I am grateful to Chairman Howard for having these oversight hearings on the Surface Transportation Act that the subcommittee worked on last year. My questions, therefore, will deal primarily with some of the needs of Pennsylvania.

The Surface Transportation Act of 1978 made large sums of money available to the State transportation agencies for highway improvements and increased the Federal share of highway construction costs.

In your estimation, will these levels of Federal assistance be sufficient to maintain a solid highway network, or will you need to look for additional ways to assist the States to, in effect, continue on? Pennsylvania has had problems in keeping one step ahead of losing Federal money.

What are your concerns with what is going to happen to our national highway network if the individual States cannot maintain their individual components of that network?

The Federal Highway Administration issued a report last year that is entitled "The State Highway Finance Outlook", and if I may, I would like to read just one paragraph from that study. This is from the executive summary on page 1.

The uncertainty affecting highway programs is due to inflation, increased noncapital costs, increased vehicle purchases, increased fuel prices, and deteriorating highway systems. The combined effects of these factors results in fewer real dollars being spent for highway improvements. Although the future is uncertain, highway travel will likely continue to increase, highway costs will likely escalate, and reve-

nue growth will likely level off or even decline. Reduced real capital investment, in turn, will likely reduce highway performance.

Included are the administration's just released figures for the fourth quarter, showing a 30-percent increase in the composite price index of highway construction, from the corresponding period of a year ago.

So my question is, No. 1, why is the cost of highway construction escalating so rapidly? If the individual States can't continue to build or maintain their highways, what impact will that have on the overall national highway system?

Mr. BOWERS. First of all, we have been very concerned about the cost of construction, with the inflation rate being over 30 percent for the last fiscal quarter. We have issued some directives to our State offices suggesting guidelines. The States have been very cooperative in complying on things that we think will help drive the inflation rate down.

In the first quarter of this year, inflation is down to 2.2 percent, which is encouraging. I don't think the Secretary's program has been out long enough that it could take credit for all of it, but I think it has had some suggestive impact on it.

Parts of the program is to review and examine any bid 7 percent or more over the engineer's estimate, to see if the engineer's bid was faulty. If it would seem to be in the public interest to readvertise and relet, we would disapprove the bid and cause the State to readvertise. If it seemed the bid was not sufficiently put together and it would actually cost more in the long run, then in some cases we would go ahead and approve it, but at least we reexamine to see whether we are doing a good job of estimating the cost.

Another thing is we have encouraged the States to shorten their jobs. It is interesting how things develop over a period of time. We used to think that long jobs over a long period of time arrived at better bids, and they did. But now, because of the uncertainties involved, with a lot of highway construction projects, asphalt-base projects—of course, I don't have to explain why the cost has risen for the oil-based products. And we anticipate its rising still again.

So the uncertainty of labor, the uncertainty in costs of highway materials, have made shorter contract times more desirable. We have had some good experiences with it, in cutting the actual bid they would advertise for and making a smaller bid, one that could be done in a shorter period of time, usually during one construction season. We think this has been effective, too.

We have been very concerned about the inflation costs. There are any number of reasons for this trend. And I think another reason it was so high last year is that during the period just previous to that, during the 1973, 1974, and 1975 period, sometimes the bids were actually coming in at less than the engineer's estimates. At that time there was not a lot of work going on, and some people were actually taking losses on the jobs, and a lot of contractors went out of business during that time, because they just couldn't survive. They were taking the jobs just to keep their companies moving and operating.

I think that some of them may not have appreciated their investments as much as they should have, and I think we see some of that catching up with us here in the last fiscal year. I think those

are factors that led to the gigantic 30-plus percent increase last year.

Hopefully, some of the suggestions in the Secretary's inflation program will help contain costs.

To go into the State of Pennsylvania's problems, we have been meeting with the new Governor and his newly appointed transportation secretary. We have made some suggestions to the State as to the ways other States have met the costs escalation problem so that they might draw a parallel. I don't think we can dictate to the State how they can raise their local revenue to match the Federal funds.

One of the things that puts Pennsylvania particularly in a crunch is that the State police are funded totally out of their highway trust fund. Even though those are important positions and highway related, they are not directly related to construction or maintenance.

At the same time, I am sure you are very familiar with the bonded indebtedness in the State of Pennsylvania. Another third of their revenue goes to bonded indebtedness and to set aside for indebtedness. That is really one problem that I don't know the answer for, because I am not sure whether there is any sentiment in the State to give them any increase in their funding. I suspect probably not.

What I would like to see them do—and I think this is a suggestion they're taking a look at—is to fund their State police, which takes about 3 cents out of their gas tax, out of their general revenues. I think there would be some support for that. They could redirect those available highway-related taxes that come from the gas tax to a construction program. Currently over \$800 million is available in Federal-aid matching funds to the State of Pennsylvania. We are concerned about it.

I just might mention one other thing that came up during the budget hearing. The Chairman, Mr. Duncan, asked us to take a look at the possibility of 100 percent financing temporarily, with a provision for payback, something we did when the impoundment money was released. We are developing some data for him on that.

Certainly Pennsylvania is a part of the integrity of the national program and we are concerned about it. I hope that the State will see fit to provide some funding for the State DOT in Pennsylvania.

Mr. ATKINSON. So, in the past you have waived the match, the payback?

Mr. BOWERS. No; what I was speaking of is when there were more Federal funds available unexpectedly. We didn't waive it, but we advanced it. The States that took advantage of it have just completed their payback.

One thing we were discouraged about, very few States took part in it or elected to participate. As I remember, it was in the teens, 15 or 16, something like that, and not a very large amount of money. It is something we're taking a look at and we will be providing the Budget Committee some data.

Mr. ATKINSON. If they don't come up with their end of it, what happens to the individual States? I'm sure there are other States with the same problem as Pennsylvania. What happens if they can't come up with the money?

Mr. BOWERS. What has happened, unfortunately, is that there has been no construction program in Pennsylvania for the last year or so. I am very hopeful that they will come up and provide those funds.

A point I would like to make as a former State highway official is that I think it's a joint Federal-State responsibility and I think this Committee and the Appropriations Committee will do the Federal share, and I think the States have to bear their portion of the burden.

So when people ask questions about "how do you expect they will raise revenues for a multibillion dollar bridge program", my answer is the States have to face a part of this revenue raising program, too, because it is a joint effort. Pennsylvania is not the only one in this position. I am glad you made that point because I didn't want to indicate that they were. I think it is a joint responsibility that the State and Federal Government have to face together.

Mr. ATKINSON. I asked the question because I have my own feelings as far as matching money is concerned. Pennsylvania is a donor State to the Highway Trust Fund and they pay 4 cents a gallon gasoline tax; they pay taxes on other auto products. This is all Pennsylvania money going in, and I just don't understand why a match is necessary, to reclaim this money.

I asked the question in the past and have been told the reason for the match is that there are greater highway needs than moneys available, and, therefore, the match. But in view of the escalation in the costs of construction and repair and the inflationary spiral, isn't it counterproductive to wait for the match? If you don't have the match, you can't build the highway, and in the meantime the costs are soaring. And if you have a 25-percent match and there's a 30-percent escalation in costs, you know you are losing money.

Mr. BOWERS. Well, part of the problem was addressed by this Committee when they raised the Federal match. I'm not sure what the match was when the program began, but I know it used to be a 50-50 match. Over a period of years gradually the Federal match has gone up. In this past year it was raised in most cases from 70-30 to 75-25, which we hope will alleviate some of the State's revenue problems. That gives them an additional 5 percent. In the case of Pennsylvania, it's 5 percent of nothing because there was no match. So it really doesn't alleviate their problem. But in most cases, for the majority of the States, that 5-percent additional money did free up additional State revenues that they could use for State projects or use for matching funds.

I don't want you to think I am not sympathetic with the problem in Pennsylvania. I am very familiar with it, and nothing would suit me better than to use all \$800 million that is available up there. I know there's a crying need for it.

One of the things I might mention to you is that Pittsburg has funded a bridge through the bridge replacement program and they are picking up the local match which was not available through the State. This is another area that we are exploring with the State DOT people. We have no restrictions as to where the match comes from, and in this particular instance the city is putting up the match. That's another avenue that we will approach.

Mr. ATKINSON. Under the bridge discretionary program \$200 million annually is available. Do you have a voice in determining whether States are fairly and equitably chosen as candidates for that funding?

Mr. BOWERS. Yes, sir. As you know, some of the bridges have a legislative history; those we have given top priority. We have been delegated authority to implement that program. We have a number of candidates for bridge projects and we are in the process of evaluating them now. We will see that it is apportioned in a fair and equitable manner.

Mr. ATKINSON. Mr. Chairman, if I might touch on one other subject—I'm new here and don't know how much time we get and I don't want to take the time from somebody else.

Some of the other questions I have, I can perhaps submit them for the record.

Mr. BOWERS. We would be glad to provide for the record any written answers that you would like.

Mr. HOWARD. If the gentleman would yield, without objection, any questions that the members here, or members who are not able to be here, may have for Mr. Bowers, may be sent to him and the questions and his responses will become a part of the record of the hearing.

Mr. ATKINSON. Thank you, Mr. Chairman. Then I have one final question.

The General Accounting Office in January of 1979 filed a report indicating serious corrosion problems on bridge surfaces, and stating that they were not being adequately solved. GAO reported that chloride chemicals used on bridge pavements to improve winter traffic conditions—and again, I'm speaking mostly of Pennsylvania and other States having this problem—penetrate the concrete surface, eventually reaching the reinforcing steel bars, and the corrosion of these rebars occurs as the chloride interacts with moisture and oxygen found in the concrete. As the rusted steel expands under these conditions, pressure is exerted under the concrete causing damage, commonly referred to as "potholes". So that's how they come about, at least as far as bridges are concerned.

GAO says that bridge decks are planned to last some 40 years and are now in need of major repair within 10 to 15 years. With new techniques such as epoxy coatings on rebars and improved concrete coatings on bridge decks, huge amounts of money would be saved in future repair appropriations, a sound program that would yield a tremendous cost/benefit ratio for the years to come.

The Department of Transportation's research and evaluation procedures, are they headed in the right direction as far as this is concerned? Because the report goes on further and says that preserving decks that are seriously contaminated could save money and I think the benefit/cost ratio they speak to is 2.5 to 1. In GAO's opinion, the cost/benefit ratio would be far better if money could be made available for that kind of protective coating on existing bridges.

Is there any effort, because of this cost/benefit factor, in your research and development area, to pay attention to these existing bridges and try to protect them?

Mr. BOWERS. To answer the first part of your question, I think our research people are headed in the right direction. We have developed an epoxy coating for steel bars in bridge decks which have corroded much faster than anybody anticipated. These have shown very little, if any, sign of wear during the testing period, sometimes up to 5 years where they've had them in a salt solution that would have speeded up the corrosion process.

We passed this research and development technology along to the States. There is no special program that would be a charge to the States to come out of their regular funded programs. They could use and elect to initiate a program much like you talked about. We have made this information available to them.

Mr. ATKINSON. Thank you very much, Mr. Bowers.

Incidentally, on this 55-miles-per-hour issue, is there a quota system on issuing motor vehicle violations in the States?

Mr. BOWERS. No, sir.

Mr. ATKINSON. How do you determine then whether a State is in compliance?

Mr. LAMM. Last year's legislation set up, by congressional enactment, a series of graduated penalties depending on the percent of traffic that exceeded 55 in a State-by-State basis. That comes in for the first time during this current calendar year. We have no quota, and you have established no quota for the number of arrests. What you have established is a quota for the degree of compliance.

We talked earlier about information that comes in to us and to NHTSA on 55-mile-an-hour enforcement right now. One thing that is considered, in order to see whether or not a State has an adequate program underway, is the number of citations, the total dollar fines that are brought in and so forth. But we don't have any quota system established.

Mr. ATKINSON. But do you determine compliance?

Mr. HOWARD. If the gentleman would yield, we have a "Catch 22" situation on that. As the State gets better compliance with fewer people going over 55, then you would have fewer tickets being given out, which would then maybe imply there was less enforcement done by the State. We went around and around on that.

Mr. ATKINSON. Thank you, Mr. Chairman.

Mr. HOWARD. The gentleman from Louisiana, Mr. Livingston.

Mr. LIVINGSTON. Thank you, Mr. Chairman. No questions.

Mr. HOWARD. The gentleman from Pennsylvania, Mr. Ertel.

Mr. ERTEL. Thank you, Mr. Chairman.

I have only one question that Mr. Atkinson brought to mind, and you may have answered this. But are you the ones that allocate the money for bridge repairs, or do you allocate to the States and they then, through their State department of highways or transportation—

Mr. BOWERS. The funds go to the States.

Mr. ERTEL. They make the priorities as to their bridge repair program?

Mr. BOWERS. Yes.

Mr. ERTEL. Is there any way that you have any kind of supervisory power over the States, if you determine they are not properly utilizing those funds, to require reallocation?

Mr. Bowers. We did discuss earlier how the States determine the bridges that are eligible. They have a sufficiency rating to place on each bridge during inventory. The sufficiency rating is developed and approved by our people, so we feel that we are involved in the rating and ranking. We feel this is an evenhanded way of approaching the bridge problem. In fact, we do have a hand in it, even though the States do the selection.

Mr. ERTEL. But you set the criteria?

Mr. BOWERS. Right.

Mr. ERTEL. Thank you very much.

Mr. HOWARD. If the gentleman would yield for one question.

As you know, we did not have figures that were very accurate for off-system bridges; we had better for on-system. So the money was allocated, temporarily for the next few years, for on-systems rehabilitation, with the provision that no less than 15 percent and no more than 35 percent must be used on off-system bridges. When we get a better figure, State by State, for the off-systems, we can readjust the formula in a fairer way.

There are questions that have come up, though, since you brought up the fact that it goes to the States and the States make the decision. Many counties and other degrees of political entities within the State are very much concerned that when the State does allocate its off-system money, that it may almost all go to State off-system roads and maybe the counties won't get any. We we don't have a handle on that yet.

Mr. BOWERS. We have comments from the National Association of Counties and from individual counties concerning this.

Mr. HOWARD. I have, also. This says under this section it shall be made available for obligation throughout such State on a fair and equitable basis. In other words, that relieves all of our concerns. [Laughter.]

Mr. ERTEL. My sense of fairness may be more fairer for my district.

Thank you, Mr. Chairman.

Let me ask one more question: Are there any discretionary funds allocated where you have the discretion to provide funds to either local or county or other municipalities in the bridge repair program, where you think there is an extraordinary problem?

Mr. BOWERS. Yes, sir.

Mr. ERTEL. How much is that?

Mr. BOWERS. \$200 million annually, for major bridges. The criteria in the legislation requires that it be a \$10 million-plus project. That is a discretionary bridge program given to the Secretary.

Mr. HOWARD. That provision, Mr. Ertel, was put in because we did realize that in some States they may have a bridge or two that is so expensive to fix that either that would take up all the State's allocation of money, or else that bridge might not be repaired. So \$200 million in each year, out of a total of \$900 million, the first year, is reserved for that kind of a situation for the Secretary to determine.

I guess it doesn't go directly to a county or any other entity, but goes directly to the bridge in the State.

Mr. BOWERS. That's what I was referring to in Pittsburgh, that the contract will be let by the State, even though the city is picking up the local share. It still will be a State project.

Mr. ERTEL. I do have a bridge to discuss with Mr. Bowers, but rather than wasting everybody's time, I will talk to him about it later.

Thank you.

Mr. HOWARD. The gentleman from Georgia, Mr. Levitas.

Mr. LEVITAS. Thank you, Mr. Chairman. I have just one question. I do appreciate your participation here, Mr. Bowers.

You referred in part of your testimony to technical amendments. As you know, the act we passed last year contained the provision which was designed to permit the States to use a portion of their interstate allocation to repay both interest and principal on bonds issued for completion of the Interstate System to expedite and to accelerate the construction of the interstate, as well as to do it at a lower cost.

There has been a good deal of legislative history on that, because this got started in the 94th Congress and finally got enacted in the 95th Congress.

I am advised, however, that there may be some technical problems with the language that was actually put into the law which might prevent it being utilized by some of the States which were primarily interested in it, and also to take current advantage of the allocation.

Are you aware of that and, if so, is that going to be included in the technical amendments that you recommend to this committee?

Mr. BOWERS. Yes, sir, we are aware of it. I will let Mr. Casanova, our Chief Counsel, address this issue.

Mr. CASANOVA. Mr. Levitas, this is not part of the package that we are sending for to you. We are helping the Georgia DOT staff to prepare a technical amendment.

Mr. LEVITAS. So they are working with you—and I know it pertains to several other States as well—to develop the language which will accomplish what we intended to do by that?

Mr. CASANOVA. Yes, sir.

Mr. LEVITAS. Thank you very much, Mr. Chairman.

Mr. HOWARD. Thank you.

Mr. Bowers, one final statement, or question. Just briefly, in your statement, you indicate that about \$417 million of, as you state, discretionary interstate funds have been allocated to the States, and that would be the acceleration fund we provided in the 1978 act.

I would just like to make it clear, so there is no misunderstanding, that we made very clear in the Conference Report that these funds are available on a "first come, first served" basis, and the Secretary does not have discretion as to the allocation of these funds once applied for by the States. So it might possibly be more clear if the word "discretionary" were not used.

Do you agree with that?

Mr. BOWERS. We have it on a "first come, first served" basis, Mr. Lamm tells me, and I think I would agree, that it is discretionary as opposed to formula money.

Mr. HOWARD. And not discretionary to the Secretary, as to jumping over—

Mr. BOWERS. We accept them on a "first come, first served" basis.

Mr. HOWARD. In February of last year it was estimated—I don't know who counted them—that there were 116 million potholes in the United States. [Laughter.]

Mr. BOWERS. There still are.

Mr. HOWARD. And that if we put them together to create one "national pothole," it would have been a quarter-of-a-mile across and something like 50-feet deep, and it would have taken 6.4 million tons of asphalt to fill.

In addition to this burden on the communities around the country, it was estimated at that time—and this was before the winter was over—that the drivers of the country were forced to expend something like over \$800 million, not covered by insurance, for new tires, realignment, crashes that came in trying to avoid these potholes.

The House of Representatives passed, two to one, a very small bill that would have taken \$250 million from the Highway Trust Fund and allocated 100 percent to the States to give to the communities merely for the temporary filling of these potholes and would have taken away this danger.

Unfortunately, the other body, and the administration, and some 10th floor people in DOT, not only ignored but ridiculed the legislation and it did not become law.

I wonder if you might tell us whether or not there are this winter any potholes in the country, in what amount, and whether or not the municipalities are hampered with the additional expense, and drivers are not only being injured but are also caused to expend a great deal more money.

I know this isn't an ordinary use, and the Congress does not want to get into the pothole-filling business, and that is why this bill last year was not made a part of title 23. It was a one-time proposal, so that it would not be expected for minor problems and situations throughout the country.

There may be some problems this year, and I was wondering if you have any counts or amounts, or what your position might be.

I do know also that many of the "highway lobby" people, not very strongly, but they did oppose the legislation because this money would not be used for large contract type jobs, but would go to most towns where they would use their own employees to fill these potholes.

Do we have a pothole problem in the country?

Mr. BOWERS. Yes, I think obviously we do. I think we have an equal number to what we had last year. It's a "bumper crop" again. I would say the communities are experiencing problems again, no question about it.

Mr. ERTEL. Mr. Chairman, would you yield for a moment?

Mr. HOWARD. I would be happy to yield to the gentleman from Pennsylvania.

Mr. ERTEL. I appreciate your passing the pothole bill last year, but it did pass the Senate, unbeknownst to you—

Mr. HOWARD. I know.

Mr. ERTEL. I took the title from that bill and put the water bill in it. It passed under your title. I just wanted to let you know that it did pass in some form, although——

Mr. HOWARD. Would the gentleman state how much money in the water bill went into the filling of potholes?

Mr. ERTEL. We got a lot of water in them. [Laughter.]

Mr. HOWARD. And which was after the summer. Thank you. I do recall that. Mr. Bowers, I just want to thank you for coming here. I know we have gone through an awful lot concerning a very expensive and far-reaching piece of legislation, with new initiatives by the Congress.

I want to tell you that we think, with the limited amount of funds that you have available to you, that you and your staff are doing a wonderful job. We have had several Federal Highway Administrators since I have been involved with this committee, and I would just like to state for the record that I know of no one who has been more cooperative in this city with me. We look forward to working with you in the future.

We will probably have some questions sent to you, and the sooner we can get your responses, the better; so the subcommittee and the individual members will be prepared to go before the Appropriations Subcommittee on Transportation. Thank you very much for your presence here, and thank you for the tremendous job you are doing and that your staff is doing down there.

Mr. BOWERS. Thank you very much for the opportunity of appearing.

Mr. HOWARD. The subcommittee stands in recess until 1 p.m. on Monday.

[Whereupon, at 12:18 p.m., the Subcommittee on Surface Transportation recessed.]

OVERSIGHT OF THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978 (PUBLIC LAW 95-599)

MONDAY, MARCH 19, 1979

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON SURFACE TRANSPORTATION,
OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, D.C.

The subcommittee met, pursuant to notice, at 1:10 p.m., in room 2167, Rayburn House Office Building, Hon. James J. Howard (chairman of the subcommittee) presiding.

Mr. HOWARD. The Subcommittee on Surface Transportation of the Committee on Public Works and Transportation will come to order.

This afternoon our hearing will be a continuation of legislative oversight on Public Law 95-599, the Surface Transportation Assistance Act of 1978.

As our first witness this afternoon, we are very happy to have with us the Honorable Richard Page, Administrator of the Urban Mass Transportation Administration.

We had scheduled to appear later this afternoon Ms. Joan Claybrook and Secretary Brock Adams. The subcommittee has been informed that the Secretary, Mr. Adams, has been attending all day a summit conference at Camp David with the President and other administration officials concerning energy policy for the Nation.

I, for one, am very happy that the administration is finally considering transportation as one of the better aspects to be considered in developing an energy policy. So we are not certain at this time whether or not the Secretary will be back in time to appear today.

I would like to have the statement of Mr. Page made a part of the record at this point.

[Statement referred to follows:]

STATEMENT OF RICHARD S. PAGE, URBAN MASS TRANSPORTATION ADMINISTRATION,
DEPARTMENT OF TRANSPORTATION

Good Morning Mr. Chairman, Members of the Committee, I appreciate the opportunity to present to you a discussion of UMTA's Title III and related provisions of the Surface Transportation Assistance Act of 1978.

In his letter of March 16, 1979, Chairman Johnson asked that we furnish specific information including budget information for FY 1979 and FY 1980, and the schedule and means for implementing all of the provisions of the Act. This material has been supplied to you for the record, and for your use in these hearings.

In addition, our FY 1980 estimates were explained to the House Appropriations Subcommittee on Transportation on March 6. I have included my formal statement

to that committee in the information that we have provided to you. I believe it clearly outlines our operating and managerial policy both for FY 1979 and FY 1980. I will confine any introductory remarks, therefore, to a general assessment of where we stand in the implementation of this new legislation.

The development of the Nation's first joint highway-transit legislation is a credit to all those who were involved in its passage. That legislation has again reaffirmed the Federal Government's mass transit program, secured the program's authorizations, and in several ways broadened the scope of our responsibilities.

Immediately after the passage of the legislation, UMTA set in motion actions to implement each of the provisions of the bill applicable to our program responsibilities.

In many instances, the best way to proceed has been to develop draft procedures which would be transmitted quickly to transit operators, planners, elected officials, and the many others who are mutually interested in our program. While this public review and comment approach does take time, we believe that it is well worth it to give our clientele an opportunity to advise us on the best way to meet their needs as we implement the direction of Congress.

Obviously, the most difficult parts of the new legislation to implement are the Section 3 discretionary capital funding program and the Section 5 formula capital and operating program. These two sections must now be examined together to enable you to understand where we are in the implementation process. I thoroughly agree with the shift of previously discretionary funds for capital purposes from Section 3 to the formula-based Section 5 program, but this change is a major one for many cities and out headquarters and regional people are spending much of their time meeting with local transit operators and city officials to explain how their future funding programs will be met from the new Section 3/Section 5 combinations of capital funds.

To date, a great deal of effort has gone into the implementation of the revised Section 5 program. A December 18, 1978 Federal Register Notice announced an interim and partial apportionment of the Section 5 monies and a request for information necessary to apportion the remainder of the monies and for information about possible formula changes required by Section 319(a) of the STA Act. The interim and partial nature of the apportionment has been due to two factors. First, because the appropriation bill was enacted before the final language of the STA Act was agreed upon, appropriations for the third tier commuter rail/fixed guideway monies were less than, and for a narrower purpose than, the comparable provision in the STA Act. We believe that we may only apportion the amount appropriated, only using the commuter rail factors. Secondly, the data request made to grantees includes those factors necessary to allocate these commuter rail monies. Obviously, the funds cannot be allocated until we have the formula factors required. I might add that it is our understanding that GAO has been asked to review the Department's decision on the distribution of the commuter-rail/fixed guideway monies.

One of the things which I believe UMTA must do is to work more closely with your committee and your counterpart in the Senate, and with our appropriations committees to explain more fully our funding programs for future years, and I commit ourselves to that objective.

The preparation of the President's budget has been equally tough, and I know that you are aware of the fact that the Section 3 and Section 5 appropriation levels we are now justifying to the Appropriation Committee do not match the recently enacted authorizations. We have also not sought funds for several new sections of the authorizing Act.

The budget results reflect the President's concern for holding down Federal budget levels as stringently as possible. Some Federal programs were actually cut from FY 79 to FY 80. The mass transit program held its own, after a big increase from FY 78 to 79, and a small increase is recommended for FY 81 in the advanced appropriation for Section 3. The growth in Federal aid to transit is striking, measured from FY 76 to FY 80: \$2B to \$3.5B and in the Section 5 area alone a 25% increase from FY 78 to FY79!

Ever since the inception of the UMTA program, the total transit need has exceeded our ability to fund. Hard decisions have to be made about the level at which Federal assistance funds can be provided. FY 80 and 81 are going to be two more tough years in this respect.

Let me also outline the urban initiatives part of our Section 3 program. A year ago the President announced the Nation's first comprehensive urban policy, and recommended a transit component of \$200 million. UMTA sought to be a part of that program, because we have long recognized that transit can have a vital impact on the revitalization and economic strength of cities—and the transit impact in

many cases is greatest in exactly those cities where urban revitalization is also most essential.

In both the authorization and appropriation bills for transit, Congress approved up to \$200 million of Section 3 discretionary funds for such urban initiative grants, and we estimate obligations for both FY 1979 and FY 1980 at the allowable authorized level of \$200 million for each year.

Through this program, we intend to fund joint development, intermodal terminals, and transit mall projects in cities large and small. We will seek to integrate UMTA's program and other development programs in HUD, EDA, DOL and other Federal agencies, and will soon make the first competitively based grant awards for the transportation component of the Urban Initiatives Program.

In the STA Act, the Congress broadened our mandate to include the intercity bus industry. We are studying the needs of the industry, including capital, as required by Section 323(b) of the STA Act. As I have just indicated, we do intend to fund capital projects, such as intermodal terminals, within the urban initiatives authority of Section 3. As yet, we just do not have an accurate assessment of this need, and we are encouraging localities to program this demand to us through their urban initiatives requests this year.

We are fully aware of the fact that these funds compete with other demands placed on Section 3 resources. But we have received remarkable support from people in cities around the country who agree with the importance of this program and the thrust we are putting behind it. Transit is an integral part of the health and economic well being of a city. This urban initiative program provides an excellent vehicle for transit authorities and city officials to use with imagination and cooperation, to achieve mutually beneficial goals. Many of the projects we are now considering do have this kind of double advantage. I assure the committee that we are implementing what the President has directed and what the Congress authorized and appropriated. We are simply proving what we have already known—if we set out deliberately to do so, we can make transit investment decisions which also contribute importantly to the urban environment in which each transit system functions. To fail to do so would be the real mistake.

I would like to turn now to some of the other provisions of the new legislation and explain briefly how we are proceeding to implement them.

The redesignation of the Planning and Technical Studies section of our Act (from Section 9 to Section 8) did not significantly alter our planning function, but rather reiterated and confirmed the way in which we have progressed with that program. One key subsection of Section 8 deals with the redesignation of MPO's. FHWA and UMTA have recently issued a joint informational letter to both our Regional Directors regarding this redesignation.

Our revised Section 10 program "Grants for Training Programs" is progressing well. We are preparing a circular to explain the changes in the program, especially the increased flexibility of use now provided, and we will soon be announcing an annual submission date (for the Fall of '79) for applications for this program.

All the special and/or recurring studies required by the STA Act are progressing well. For a few, we will be requesting a revision of submission dates. Seventeen one-time studies are required by the STA Act which are of interest to UMTA. For nine of these we have direct responsibility. Our information submission has the most recent implementation schedules for these studies. I will be glad to discuss them with you individually as you desire.

As Mr. Bowers indicated to you last week, we have worked with the Office of the Secretary and FHWA to initiate the Section 18 "Formula Grant Program for Areas Other than Urbanized Areas" by rapidly publishing an emergency regulation on December 13 of last year. The day-to-day administration of the program is being done by the FHWA Division Offices. We are working with FHWA to develop training programs for both State and FHWA personnel who will be responsible for the program at the local levels. Available authorizations under the Section 18 program will provide funding for Intercity Bus Assistance for FY 1980.

Final regulations, but with an opportunity for public comment, have been issued to carry out Title IV, the "Buy America" requirements. These were issued expeditiously so as to include current rail car procurements.

I understand that Mr. Bowers touched briefly the other day on our internal process in attempting to explain the rationale for some restraint in his budget. I would like to do the same for a moment. Our internal Zero-Base-Budget process ranks increments of funding for all of our various activities for our entire agency, from less than present levels up to and including improved levels of funding. At various points we draw a line across the list of priorities. That line represents a funding level for the upcoming year, the cumulative total of everything above it. No deliberate effort is made to negate any portion of the authorized program by not

seeking implementing funding. Certain items did not fall above the line and, the line must be drawn somewhere.

The need to deal with inflation has imposed rigid fiscal constraints on all Federal programs, and on others more so than ours. We believe that our budget levels are sufficient and reasonable given the austere total budget.

TECHNICAL AMENDMENTS

Early this year the subcommittee staff requested a list of technical amendments to the Surface Transportation Assistance Act of 1978. At the time, interest was expressed in amendments necessary for proper implementation of the Act, as well as amendments needed to clarify certain sections or to mitigate the unintended or untoward effects of others.

In his letter of March 6, 1979, Chairman Johnson also asked that we discuss the need for amendments. Accordingly, we have included our analysis and the proposed technical amendments in the material we have submitted to you. This material contains six amendments in sections delegated to the Urban Mass Transportation Administration (UMTA).

Let me explain one briefly, and take questions on any of them.

Subsection (b) of Section 308 revises the definitions of the UMTA Act. The definition of "fixed guideway" appears to exclude light rail vehicles which operate in mixed traffic. This definition has dramatic impacts on the Section 5 formula program because one-third of the funds appropriated under Section 5(a)(3)(b) of the UMT Act are apportioned to unbanded areas based on their share of fixed guideway route miles: The literal language in the definition has the effect of denying this part of the apportionment to cities that operate light rail vehicles in street right-of-ways. This affects Pittsburgh, Philadelphia, Boston, and other cities. We believe that distributing funds to areas that have any permanent form of transit right-of-way is both an incentive for areas to create such rights-of-way, and it also forces recognition that permanent transit rights-of-ways often involve special maintenance costs.

We propose by including in the definition of fixed guideways an amendment to correct this problem, "any exclusive use of rail right-of-way as well as separate rail rights-of-way".

This concludes my formal statement. I will be glad to answer any questions you may have.

Mr. HOWARD. I would also like to announce that we do have information from Mr. Page concerning ethics situations where Mr. Page would not this afternoon be able to answer any particular questions, either on the New York Public Transit Authority or the Washington Metropolitan Transit Authority. The information sent to me by Mr. Page, without objection, will be made a part of the record immediately following this statement.



DEPARTMENT OF TRANSPORTATION
URBAN MASS TRANSPORTATION ADMINISTRATION
WASHINGTON, D.C. 20590

THE ADMINISTRATOR

MAR 19 1979

Honorable James J. Howard
Chairman, Subcommittee on
Transportation
Committee on Public Works
and Transportation
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I have recently been contacted by officials of both the Washington Metropolitan Area Transit Authority (WMATA) and the New York Metropolitan Transit Authority (MTA) regarding employment. I have, accordingly, notified the Secretary of Transportation and Mr. Robert J. Lipshutz, Counsel to the President, that I am negotiating with these entities. Copies of these memoranda are enclosed.

Secretary Adams has designated Deputy Secretary Butchman as the Departmental official to act in my place on any particular matters in which I might participate which might have a direct and predictable effect on the financial interests of WMATA or the MTA during the period of employment negotiation.

I wanted you and the other members of the Subcommittee to know this. It does not preclude me from testifying before your Subcommittee on past decisions and agreements reached with WMATA or the MTA and I am fully prepared to do so. If there are other questions which I feel I should not answer, we would be happy to submit answers for the record, or, if you wish, make available a senior Departmental official at a later date to answer those questions.

Sincerely,

Richard S. Page
Richard S. Page

Enclosures



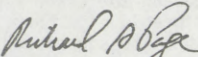
THE ADMINISTRATOR

DEPARTMENT OF TRANSPORTATION
URBAN MASS TRANSPORTATION ADMINISTRATION
WASHINGTON, D.C. 20591

March 2, 1979

MEMORANDUM TO THE SECRETARY OF TRANSPORTATION
THRU THE DEPUTY SECRETARY

I have been contacted by officials from both Washington Metro and the New York Metropolitan Transit Authority (MTA) regarding employment. While I have not decided that, if offered employment, I would accept it, I consider that I am negotiating employment with both entities. Because I am responsible for the administration of the Urban Mass Transportation Act of 1964, as amended, and assistance is given to WMATA and MTA under this Act, I request that you relieve me immediately of my participation in particular matters as to which I could reasonably anticipate that my participation or advice would have a direct and predictable effect on the financial interests of WMATA or MTA. I ask that you reassign these responsibilities to another employee who is not my subordinate until my negotiations are terminated.


Richard S. Page



THE ADMINISTRATOR

DEPARTMENT OF TRANSPORTATION
 URBAN MASS TRANSPORTATION ADMINISTRATION
 WASHINGTON, D.C. 20590

March 5, 1979

MEMORANDUM TO: Robert J. Lipshutz, Esq.
 Counsel to the President
 The White House

I have recently been contacted by officials of both the Washington Metropolitan Area Transit Authority (WMATA) and the New York Metropolitan Transit Authority (MTA) regarding employment, and wish to advise you that I am under consideration for the position of General Manager of WMATA and Executive Director of the MTA.

While I have sought out neither position, I have not withdrawn my name from consideration because it is my view that the interests of the public would be well served by strong transit systems in these two communities. Should I be the final preference of the selecting officials of either of these transit authorities, therefore, I would have to give serious consideration to the manner in which I might best serve the President and the nation.

Accordingly, I have asked Secretary Adams, for the duration of my negotiations with these transit authorities, to designate a senior official within the Department of Transportation to carry out my responsibilities as Administrator of the Urban Mass Transportation Administration (UMTA) on particular matters as to which I could reasonably anticipate that my participation or advice would have a direct and predictable effect on the financial interests of WMATA or the MTA. Secretary Adams has, by memorandum to Deputy Secretary Alan A. Butchman designated Mr. Butchman to perform these duties. I have enclosed a copy of my request to the Secretary and of his memorandum to the Deputy Secretary.

A handwritten signature in cursive script, reading 'Richard S. Page'.

Richard S. Page

Enclosures

Mr. HOWARD. Mr. Page, thank you very much for your appearance here today. We are certainly anxious to see and hear of the immediate action and/or actions of your agency concerning the Surface Transportation Assistance Act of 1978.

For the record, will you please identify the people who are with you, and then proceed?

TESTIMONY OF RICHARD S. PAGE, ADMINISTRATOR, URBAN MASS TRANSPORTATION ADMINISTRATION, ACCOMPANIED BY JOHN TAYLOR, ASSOCIATE ADMINISTRATOR FOR TRANSIT ASSISTANCE; AND MARGARET AYRES, CHIEF COUNSEL

Mr. PAGE. It is a pleasure to appear here today. On my left is John Taylor, Associate Administrator for Transit Assistance, and on my right is Margaret Ayres, Chief Counsel.

We furnished the committee, albeit only an hour ago, a thick notebook of materials. I apologize for being late, but we had 10 days to try to answer a lot of questions that you posed to us. Also included in the notebook are statements I presented to the Appropriations Subcommittee 2 weeks ago, which explain our objectives and managerial policy for this fiscal year and the next.

I would like to summarize my prepared statement briefly, and then we will be happy to respond to questions.

Last year's Surface Transportation Assistance Act, the Nation's first joint highway transit legislation, is a credit to all those who were involved in its passage. This subcommittee in particular, and you, Mr. Chairman, were the parents of the landmark bill. For the mass transit program, that law reaffirmed the Federal Government's commitment to mass transit, secured the program's authorizations, and in several ways broadened the scope of our responsibilities.

We set about promptly after November 6, when the President signed the bill, to implement that bill. In most cases the best way to proceed has been to develop draft procedures which could be transmitted quickly to our regional offices, to transit operators, planners, elected officials and many others. We have allowed time for review and comment on the draft procedures, to give our clientele an opportunity to advise us on these matters.

The most difficult part of the new legislation to implement are the section 3, discretionary capital funding program, and the section 5, formula capital and operating program. These two sections must now be examined together to enable you to understand where we are in the implementation phase.

We support, and I thoroughly agree with, the shift of some discretionary funds for capital purposes from section 3 to section 5. But this change is a major one for most cities. We have spent particular effort on the revised section 5 program. Within 6 weeks of the signing of the bill we issued an interim apportionment of section 5 moneys, and a request for further information.

The interim apportionment was due to two factors. First, because the appropriations bill was enacted before the final Surface Transportation Assistance Act, appropriations for the third tier of section 5, commuter rail-fixed guideway moneys, were less than, and for a narrower purpose than, the comparable provision in the Surface Transportation Assistance Act. We believe that we may

only apportion the amount appropriated, only using the commuter rail factors. We have so advised the chairman of this committee, and the chairmen of the House and Senate Appropriations Committees.

Second, the data request made to grantees includes those factors necessary to allocate these commuter rail moneys. Obviously, the funds cannot be allocated until we have the formula factors required.

We have recently received a letter from several Members of the Congress asking that the General Accounting Office review the Department's decision on this matter, and we will be happy to provide this committee with the material that we provide to the General Accounting Office and, obviously, the General Accounting Office will advise us and the committee of their decision.

Turning to the amounts in the budget, I would like to state that while the discussions and deliberations leading up to the levels of funding in the Surface Transportation Assistance Act were lengthy and difficult, the preparation of the President's budget has been equally tough. I think that you are aware of the fact that both section 3 and section 5 appropriations levels, which we are now presenting to the Appropriations Committee, does not match the recently enacted authorizations.

We also have not sought funding for several new sections of the Surface Transportation Assistance Act. The budget results reflect the President's concern for holding down Federal budget levels as stringently as possible. Some Federal programs were actually cut from 1979 to fiscal 1980.

The mass transit program held its own after a big increase from fiscal 1978 to 1979, and a small increase is recommended in our advanced appropriation request for fiscal 1981. The growth in Federal aid to transit in recent years is striking, measured from fiscal 1976 to fiscal 1980: from \$2 billion to \$3.5 billion. In the section 5 area alone we have had a 25 percent increase from fiscal 1978 to fiscal 1979.

Since the beginning of this program, over 10 years ago, transit needs have been exceedingly difficult to fund. We have had to decide the level at which Federal assistance funds could be provided. Fiscal 1980 and fiscal 1981, presuming the President's budget is approved, are going to be 2 more tough years in this regard.

Let me also comment on the urban initiatives program of section 3. A year ago the President announced the Nation's first comprehensive urban policy, and recommended a transit component of \$200 million. UMTA sought to be a part of that program, because we think transit can have a vital impact on urban revitalization and economic strength.

In both the authorization and appropriations bills for transit, Congress approved up to \$200 million for section 3 discretionary funds for such urban initiative grants. We estimate obligations for this year and next year at the allowable level of \$200 million. We intend to fund joint development, intermodal terminals, and transit mall projects in cities large and small. We seek to integrate UMTA's program and other development programs in HUD, EDA, DOL, and other Federal agencies. We expect to make the first competitively based grant award later this month.

We are aware of the fact that these funds for urban initiatives compete with other demands placed on section 3. We have already received support from people in cities around the country who agree with the importance of this program, and the thrust we are putting behind it. Transit is an integral part of the health and economic well-being of a city. This urban initiative program provides an excellent vehicle for transit authorities and cities, using imagination and cooperation, to achieve mutually beneficial goals. Many of the projects we are now considering have a double advantage. I assure you that we are implementing what the President has directed, and what the Congress authorized and appropriated. We believe that, through the urban initiatives program, we can make transit investment decisions which also contribute importantly to the urban environment.

The bill last year also asked us to conduct a number of studies, Mr. Chairman. Let me report in summary fashion that the special and recurring studies are progressing well. For a few we will be requesting a revision of submission dates. Seventeen one-time studies are required by the act which are of interest to us. We have direct responsibility for nine.

Last week Mr. Bowers, I believe, testified on the joint implementation between FHWA and UMTA on section 18, the formula grant program for rural and small urban areas. We acted quickly to publish an emergency regulation on December 13. This program is being administered by the division offices of the Federal Highway Administration. We have approved, to date, planning grants to certain States. We are awaiting submissions from the States for an approvable program of projects for this current fiscal year.

We also moved quickly to issue final regulations with an opportunity for comment to carry out title IV, the Buy America section. We have applied the Buy America requirement to all parts of our capital program, and did so quickly, to affect pending rail car procurements.

I understand that Mr. Bowers also commented briefly on the zero based budgeting process that we go through in the Department, where we rank increments of funding for all of our various activities from less than present levels up to and including improved levels of funding. At various points we draw a line across the list of priorities. That line represents a funding level for the upcoming year, the cumulative total of everything above it. No deliberate effort is made to negate any portion of the authorized program by not seeking funding.

Certain items did not fall above that line and, the line must be drawn somewhere. The need to deal with inflation has imposed rigid fiscal constraint on all Federal programs, and on others more so than ours. We believe that our budget levels are sufficient and reasonable, given that austere total budget.

The last two pages of my statement, Mr. Chairman, refer to technical amendments, and comment on one in particular, to broaden the definition of "fixed guideway," which we commend to your attention. There are four or five others in the prepared material in the book.

That concludes my prepared statement. I would be happy to respond to your questions.

Mr. HOWARD. Thank you very much, Mr. Page. I would like to say that we think that you and your administration at UMTA are doing well with what you have.

Briefly, I guess all of us have heard the President speak in press conferences, and make numerous other public statements concerning the energy situation now and in the near future. Of course, with the situation in Iran we are now focusing more on our need to conserve energy, but the President each time focused on perhaps two or three things, one of them certainly being better observance of the 55-mile-an-hour speed limit, and each time spoke at rather great length about the need for the American people to, wherever possible, utilize public transit to a greater degree.

I imagine you would agree with him that that is something we ought to be doing in the future, if we are going to help solve our energy problem and eliminate the financial drain on our country.

Mr. PAGE. Yes, I do, Mr. Chairman.

Mr. HOWARD. We do know that the appropriations for 1979 were made and passed by the Congress before the authorizing bill. We also have noted that the committee report of the Appropriations Committee had stated that there was anticipated for this year a supplemental appropriation for transportation based upon what the Congress decided as a policy for the coming years, and that that authorizing legislation passed this body at the level of 367 to 28.

We note that we do have some differences between the authorizations in the act and the administration's appropriations request for fiscal 1979, in section 3, discretionary grants. There was authorized \$1.375 billion, and appropriated prior to the authorization only \$1.25 billion; section 5 formula grants, a little over one and a half billion authorized, and only \$1.375 appropriated; rural assistance, authorized \$90 million, appropriated \$76.5; miscellaneous, \$90 million, and only \$82 million appropriated. There were some new initiatives that the Congress overwhelmingly endorsed in its new program dealing with bus terminals, intercity bus subsidies, transportation centers; but nothing was appropriated there because, of course, the Appropriations Committee did not have any authorization before it for that.

So there is a great shortfall in the fiscal 1979 budget concerning the mass transportation. The \$200 million urban initiative program, announced rather grandly a few weeks ago, was interpreted by people all over the country to be an additional \$200 million that would be pumped into urban areas to improve and make more available public transportation.

Would you agree that that is not a new or an additional \$200 million in the fiscal 1979 budget, or is it just \$200 million out of section 3 discretionary grants, which is already \$125 million below authorization?

Mr. PAGE. Mr. Chairman, let me make two comments about that. The first is that the Secretary did send forward a letter to the authorizing and appropriating committees in the spring of 1978 requesting an increase in the administration numbers of \$200 million to accommodate that new initiative. Those changes were made in the authorization bill. In the appropriations bill, the amount of

money since 1978 for section 3 and section 5 capital purposes increased by \$150 million.

Mr. HOWARD. From 1978 to 1979.

Mr. PAGE. We are taking the position that there is at least a \$150 million increase in the total amount of money available for capital and that we are finding the \$50 million out of the discretionary program.

Mr. HOWARD. So even if we accepted that, we still have, from what the Congress approved overwhelmingly, a shortfall in section 3 of \$125 million and in section 5 \$140 million. In other words, no matter where you put the money or take it, even if you say that was allowed for, the difference in section 3 and section 5, in fiscal 1979, amounted to over \$200 million based on what was appropriated?

Mr. PAGE. That is right.

Mr. HOWARD. Bus terminals, intercity subsidies, transportation centers, nothing was appropriated for these at that time because they were not authorized at that time. That takes care of fiscal 1979.

If we look at the President's budget for 1980, and I will just read the shortfalls of what Congress authorized and what the President is asking in the 1980 fiscal year budget; in the transit section alone section 3 discretionary grants, a shortfall of \$130 million; section 5 of formula grants, \$205 million; rural assistance, \$25 million; miscellaneous, \$7 million; bus terminals, \$40 million; bus subsidies, \$30 million; transportation centers, \$10 million; waterborne demonstration, \$10 million. The last four, I might add, deal with bus improvements and transportation centers and the administration did not ask for 1 cent for any of those four programs which is a little different from not having been in the appropriations for fiscal 1979 because they were not authorized. But even though they were authorized, they ended up in conference. They were overwhelmingly accepted as policy by the Congress.

The administration still does not want to put 1 cent into that.

Could someone say, in looking at what the Congress did and then at the President's request for a budget, that very possibly the administration in their 1980 budget is acting as though we maybe had not even passed a bill last year. The things that the administration want are in the budget.

Anything that the administration does not care for, even though it may have been voted for and is the law now, is just totally ignored. I cannot see how you can totally ignore a program better than by not asking for \$1 for the implementation of what the Congress stated was its Nation's transportation policy.

Mr. PAGE. Let me comment on that, if I may.

These were budgetary decisions, not an attempt on our part to ignore what the Congress had authorized. On educational centers, we took the view that we have a small university research program in UMTA. We also have a cooperative relationship with the Research and Special Programs Administration of the Department. So we have a small program in effect today that deals with some of the purposes the Congress had in mind with educational centers.

On terminals, we take the view that they are eligible for funding under the section 3 program and particularly as part of the urban

initiative activity. We expect to fund intermodal terminals as part of that program this fiscal year.

Mr. HOWARD. We are certainly glad of that.

Mr. PAGE. On intercity bus service, we are studying that in the Department. That represents a brand new field of activity for UMTA. We have a study underway with Federal Highway Administration and the Office of the Secretary.

On the waterborne demonstration project, we took the view that there wasn't enough money in our budget request to do that.

Mr. HOWARD. The total amount requested for the 1980 budget is about the same as the 1979 budget, correct?

Mr. PAGE. Yes.

Mr. HOWARD. We have to anticipate that there might be some inflation during this coming year. Would you then state that the Federal participation in public transportation is lessening while the President himself states that mass transit in general should be increasing in efficiency? It is the same number of dollars and with inflation you will do less, right?

Mr. PAGE. Inflation will make that program reach less far in 1980 at the same budget level as 1979.

Mr. HOWARD. Then we are going backward.

One final question, you have more requests for programs from State and municipalities than you have money to provide?

Mr. PAGE. Yes.

Mr. HOWARD. So the idea that you should not put up any more money because they cannot use it would not be valid?

Mr. PAGE. I testified to the Appropriations Committee, Mr. Chairman, that we do have a backlog of projects over the next several years. We have a pending list of projects and applications that is almost twice the amount of money that is budgeted and appropriated in section 3 programs.

Mr. HOWARD. I am hopeful for fiscal 1979 in the supplemental and fiscal 1980 but we might be able to help you more than the administration wants to be helped.

I would like to recognize the chairman of the committee, Mr. Johnson.

The CHAIRMAN. Thank you. I am very glad to see Mr. Page and the people with him here to help to clear up some of the problems we are confronted with since passage of highway legislation last year. There are a number of Congressmen who are not here, especially from our State of California, who have been in correspondence with Mr. Page and his people and are very much interested in getting some answers to their questions.

Mr. ANDERSON. Several of the others couldn't be here today. I have a list of questions that concern the interests of the 10 Congressmen from the southern part of the State of California as it relates to section 3. I am going to ask Chairman Howard for unanimous consent to place these questions in the record and then, Mr. Page, I will give you a copy. And, if you would supply the answers to these questions, we will make that a part of the record.

I will not take the time of the members of the subcommittee who are here for questioning. If that will be agreeable to the chairman, do I have unanimous consent?

Mr. HOWARD. It is agreed, without objection.

The CHAIRMAN. Thank you.

I want to say that you have appeared with a very fine statement. The brochure that you have prepared and sent up to the committee will further enlighten us; and people who have different ideas with some of the items that would be funded, some of the amounts in the bill, how they would be administered, a little different than they see it now since some of this, will be made public by the administration and the Secretary.

I realize this is a great responsibility, a very large assignment. That entails very broad subject matters dealing with mass transit and highway programs, et cetera. I would appreciate it if you would take these questions and give us your replies. When received, we will place them in the record at this point.

Mr. PAGE. We will be delighted to do that.

Mr. HOWARD. Without objection, so ordered.

[The following were received for the record:]

UMTA RESPONSES TO QUESTIONS POSED BY CHAIRMAN JOHNSON

(1) Mr. JOHNSON. What are the amounts of Section 3 funds currently available for obligation? What was the total amount made available for obligation by appropriation for fiscal year 1979 for Section 3? What additional amounts are anticipated for fiscal year 1979 due to supplemental appropriations?

Mr. PAGE. For fiscal year 1979, Congress appropriated \$1.250 billion for the Section 3 discretionary grant program. Of this amount, \$25 million is reserved for planning purposes, thereby leaving \$1.225 billion for transit capital projects. As of March 1, 1979, \$178.6 million of the fiscal year 1979 Section 3 capital appropriation has been obligated. The Department has not and does not expect to submit a request for any UMTA supplemental appropriations for fiscal year 1979.

2. Mr. JOHNSON. Would you now break down each of the categories in question number 1 by UMTA region—1 through 10?

Mr. PAGE. Section 3 funds are not apportioned or allocated to the UMTA regions on a formula basis, but are made available on a discretionary, project-by-project basis. Thus, we do not know with any precision what will happen in each of the 10 regions until the program year is near its completion.

In our presentation to the Appropriations Committees, we have requested permission to establish tentative Section 3 funding levels for rail modernization/system extension projects for the major urban areas which have extensive bus and rail transit service. This would allow these areas to flexibly plan for and advance either bus, rail modernization or system extension projects.

We also can make preliminary estimates for the new start/DPM categories, based on our current perception as to the most cost effective means of providing resources to areas implementing fixed guideway new start systems and DPM projects, within the limits suggested in the fiscal year 1979 Appropriations report.

Under the Section 3 bus program, UMTA utilizes the review of five general elements of the bus program as its decision criteria for the distribution of Section 3 funding for bus and bus related projects.

1. *Major commitments.*—During fiscal year 1979, UMTA has on-going multi-year commitments in Seattle, Denver and Detroit for the implementation of a variety of bus improvements. (The bus projects in Detroit are part of an overall \$600 million commitment by UMTA to that area.) For fiscal year 1979, \$33 million is currently planned for this element.

2. *Maintenance facilities.*—There is a large and increasing demand on the UMTA program for projects involving the construction or rehabilitation of facilities to handle the maintenance, storage and administrative needs of mass transit bus systems. Under this element, UMTA plans funding for facility construction projects which are either on-going or which have completed architectural and engineering (A&E) studies and are ready for implementation. In addition, UMTA plans funding to initiate A&E studies and to acquire land for new bus facility requests. The current fiscal year 1979 Section 3 planning level for this element is approximately \$109 million.

3. *Replacement/expansion.*—An on-going requirement under the bus program is the need to purchase new vehicles to replace overage vehicles which are no longer cost-effective to operate, and the need to purchase new vehicles to accommodate increases in the level of service provided. This includes the need to purchase related

support equipment, such as radios, passenger shelters, bus stop signs, spare engines etc. The fiscal year 1979 Section 3 planning level for this purpose is \$18 million, of which \$10 million is earmarked specifically for the Los Angeles area.

4. *Section 16(b)(2) set-aside.*—Under Section 16(b)(2) of the UMT Act of 1964, as amended, up to 2 percent of the Section 3 authorization may be set-aside; to fund projects which can be effectively utilized by elderly and handicapped persons, for transportation services provided by private, non-profit organizations. In fiscal year 1979, \$20 million is reserved for this purpose, and is eligible to flow to any urban area.

5. *Urban initiatives.*—As part of the President's urban initiatives program, UMTA will make grants to State and local bodies and agencies thereof to acquire, construct or improve facilities which enhance the coordination between public transportation and other forms of transportation, and which enhance urban economic development and community revitalization. Some of these projects will have a bus and bus related component. For fiscal year 1979, it is currently estimated that \$20 million of the overall \$200 million urban initiatives program will have such a component.

Once appropriate funding levels are established for these five elements, UMTA makes project-by-project decisions within these broad bus funding elements to ensure that UMTA funds are utilized to implement projects of the greatest benefit and value.

(3) Mr. JOHNSON. Would you please now summarize each category of question two by stating funds available for:

- New fixed guideway systems;
- Extensions of existing fixed guideway systems;
- Acquisition of real property;
- Initial acquisition of rolling stock needed for fixed guideway systems;
- Alternative analyses relating to the development of fixed guideway systems;
- Section 3(a)(1)(B) programs such as acquisition, construction, reconstruction and improvement of facilities and equipment including (but not limited to) amounts for rolling stock, buses, rail and bus facilities, and real property and improvements;
- New technology in the form of innovative and improved products;
- Section 3(a)(1)(D) programs such as intermodal transfer facilities; and
- Section 3(a)(1)(E) programs relating to the Northeast Corridor project.

Mr. PAGE. Your list of project categories, Mr. Chairman, is quite a bit more extensive than the list UMTA uses in its budget justifications to the Congress and its monitoring of project activity against appropriations made by Congress. As you know, the fiscal year 1979 Section 3 appropriation identified the following subprogram funding levels:

[In millions of dollars]

Bus procurement grants.....	200
Rail modernization, system extension, and purchase of rolling stock	770
New systems.....	255
Planning.....	25
Total	1,250

UMTA has identified the following Section 3 program subcategories in its budget justification. The funding levels planned for fiscal year 1979 is also identified.

[In millions of dollars]

Bus and bus related projects.....	200
Existing rail systems modernization.....	590
Fixed guideway extensions	180
Fixed guideway new starts	253
Downtown people mover.....	2
Planning and innovative demos	25
Urban initiatives (included above).....	200
Total	1,250

UMTA is requesting permission of the Appropriations Committees to reprogram \$55 million from the rail modernization category to the bus category. Should this be approved, the bus figure would become \$255 million, and the rail modernization figure would become \$535 million.

Alternatives analysis studies related to the development of fixed guideway systems are funded out of the Planning and Technical Studies Program (Section 8). New technology is eligible under Section 3 and we are currently funding the

implementation of downtown people mover demonstration projects in selected cities. With respect to 3(a)(1)(D) projects such as intermodal transfer facilities \$200 million is authorized and appropriated for urban initiatives projects. They will be funded out of the individual program subcategories, according to the nature of the project. As such, the \$200 million is included within the overall \$1.250 billion Section 3 appropriation. Finally, any eligible project under Section 3(a)(1)(E) (Northeast Corridor) will be funded by the Federal Railroad Administration (FRA) under a memorandum of understanding between UMTA and FRA. Other further breakdowns of the nature described in your question are done on a grant by grant (or even subgrant) basis, and thus we are not able to predict the level of funding for such project elements.

4. Mr. JOHNSON. Would you please prepare a chart showing the Section 3 program with the information requested in questions one through 3 in columns totaling the amount of funds expended? This first chart should be complemented with additional charts showing the same expenditures—but this time by the ten UMTA regions.

Mr. PAGE. I would be glad to provide you with the level of Section 3 capital obligations, by category type for each of the UMTA regions, as of March 1, 1979. [The information follows:]

[In millions of dollars]

	Bus	Rail mod./ extensions	New start	DPM	Total
Region:					
I	3.9	.....	.....	.....	3.9
II	23.4	.....	28.0	.....	51.4
III	1.4	4.8	50.0	.....	56.2
IV .....	.....	.....	54.7	.....	54.7
V .....	.....	.7	.....	.....	.7
VI	.4	.....	.....	.....	.4
VII	.1	.....	.....	.....	.1
VIII .....	.....	.....	.....	.....	.....
IX	2.2	.....	.....	\$0.3	2.5
X	8.7	.....	.....	.....	8.7
Total	40.1	5.5	132.7	0.3	178.6

Mr. SHUSTER. First, I would like to associate myself with the distinguished chairman of the subcommittee, particularly with his remarks regarding our concern that it appears as if the Carter administration is proceeding as if the surface transportation bill had not been enacted last year by completely not recommending any funding for several important programs. So I want to associate myself with the chairman on our concerns over that.

I would like to turn to a couple of specific questions, if I might.

This committee is very concerned about the implementation of section 13C, labor protection provisions. During our consideration of the new program and in the debate on the Thompson amendment to shift away authority from DOT to the Labor Department, we expressed the need to avoid imposing the complex 13C provisions on rural governments, many of which are largely volunteer and lack the expertise of their urban and suburban counterparts.

What steps have you taken to assure that this is being done?

Mr. PAGE. We have been working hard on that. We share this subcommittee's concern. We have had several meetings within the Department between the Federal Highway Administration and ourselves and with the Department of Labor. We have submitted a list of objectives that we want to achieve and we think the Congress wanted to achieve through section 13C. We have submitted that to

the Department of Labor and have asked them to devote their best efforts to developing a simplified and quick procedure for applying section 13C to the rural and small urban programs.

Mr. SHUSTER. Thank you

Turning now to another specific matter, one which quickly is coming to be known as the transbus fiasco, last week it was announced that Grumman-Flxible will not bid on transbus. Everything I had heard and read leads me to believe that General Motors will not build transbus. It appears that no American manufacturer is interested in building transbus. If no American firm bids, will you accept bids from foreign manufacturers?

Mr. PAGE. We have not made that decision yet, Congressman, because bid opening is May 2. It does appear that no American firm by itself will bid. We think it is entirely possible that foreign manufacturers or a partnership of a foreign company plus an American firm may bid. We are not judging that issue until the bids are opened.

Mr. SHUSTER. I hope you are thinking. May 2 is not too far away.

Mr. PAGE. It does come up frequently in our discussions.

Mr. SHUSTER. If no American firm bids, will you accept bids from behind the Iron Curtain?

Mr. PAGE. We have not reached a decision on that, although we have no suggestion that bids from behind the Iron Curtain will be made.

Mr. SHUSTER. Will you consider that question in your deliberations?

Mr. PAGE. Yes, sir.

Mr. SHUSTER. You understand that I am not promoting it. I am simply asking.

Have you examined the economic impact in terms of jobs and ancillary losses if transbus is made outside of the United States?

Mr. PAGE. Yes, we have. We are concerned about that. I personally would hate to see the future of American bus business turned over to foreign manufacturers. It would represent a loss of jobs and a loss of investment in this country. I am disappointed at Flxible's decision, extremely disappointed. I have not heard officials from General Motors Corp. But we spent a great deal of time with both of those companies, we listened to their preferences and their arguments and their debating points. We tried to reach a fair and sensible conclusion when we finalized that specification last fall.

Mr. SHUSTER. Secretary Adams is saying if no one bids, than he will have to take a look at the program. It strikes a rather familiar chord with me because that is what I was saying before. If in fact no bid is received and you have to revert back to an approach like former Secretary Coleman recommended, how much money do you think would have been wasted over the years in promoting an unworkable standard?

Mr. PAGE. I don't think we have wasted much money in the last 12 to 18 months, Congressman. The Department has spent probably around \$30 million over the last 8 years sponsoring a research and development project which grew out of a National Academy of Science's report and was widely supported by the transit authorities and the manufacturers in the United States up until 3 years ago. Then it got into some rough water and—

Mr. SHUSTER. Are you saying that now there are many transit companies which would not support the transbus mandate?

Mr. PAGE. That depends on who you ask. We have heard a variety of positions in our section 504 hearings. Some do support transbus and some don't.

Mr. SHUSTER. Is there not a substantial body of transit authorities across these United States who are now on record in opposition to transbus?

Mr. PAGE. Many of them say they support the objectives of transbus program but they do not necessarily support a federally mandated specification of the kind we issued last September. I don't know how to interpret that—

Mr. SHUSTER. That, to me, says they support a mandate up in the sky but not in Washington.

Mr. PAGE. It is hard for me to interpret that.

Mr. SHUSTER. It is clear, they say they do not want what you are laying on them.

Mr. PAGE. There are nine transit authorities who have agreed to participate in a consortium to buy transbuses. Three of them have been very active advocates. The opinions vary widely.

Mr. SHUSTER. How many transit authorities are there in the United States?

Mr. PAGE. Well over 100 publicly owned.

Mr. SHUSTER. So less than 10 percent have agreed to support it.

Mr. PAGE. Those are the only ones that have contacted us and tried to sign up as a part of the consortium.

Mr. SHUSTER. Did the one in Philadelphia support it?

Mr. PAGE. I take it they do. They have put up their local share. There are a number in the consortium and—

Mr. SHUSTER. They have been lobbying me about their concerns about mandating transbus.

Mr. PAGE. Perhaps they should come talk to us, Congressman. I thought that they were a good faith member of the consortium that had devoted great interest to carrying out this program.

Mr. SHUSTER. They do not have any choice based on the mandate that is laid on them so they are trying to make the best out of a bad situation.

Mr. PAGE. Let me reiterate that the original purposes of transbus were developed by the transit industry, supported by the manufacturers, and were widely agreed to for about the first 5 years of that program. When we got serious and when Secretary Adams issued the mandate 2 years ago and said, we will mandate this bus because the manufacturers say they can do it and because it has good general purposes to improve transit overall, then people started getting cold feet. We were supporting an idea but not a specific project, they said.

I think we are still seeing that.

Mr. SHUSTER. What could be more clear, when they say they are against what you specifically propose and they support something that is vague and general but are against what you specifically propose? Where does the American Public Transit Association stand?

Mr. PAGE. They have issued some ambivalent statements also. They say they support the general objectives. They would like to turn it back into an R. & D. program.

Mr. SHUSTER. Is that ambivalent? When they wanted to turn it back to an R. & D. program?

Mr. PAGE. The opening statement says, we support the transbus program. The next statement says, we don't support the Federal mandate. I think we are getting a lot of people paying lip service to the transbus—

Mr. SHUSTER. Back in Bedford, County, Pa., we would think that meant they weren't for it.

Mr. PAGE. I am sorry. I didn't hear your statement.

Mr. SHUSTER. Nothing. Thank you.

Mr. HOWARD. Mr. Edgar.

Mr. EDGAR. Mr. Chairman, I appreciated the opportunity to question Dick Page and others from the Department of Transportation relating to some of the issues we face as the Surface Transportation Subcommittee and particularly with respect to the implementation of the Surface Transportation Assistance Act of 1978.

As you know, I participated in shaping title III of this act, the public transit title. While I have an extensive list of questions to raise this afternoon, I would like to suggest to the committee that since this is an off-year in terms of UMTA legislation, I think an hour and a half of oversight is not enough to deal with all of the questions that UMTA has before it. I hope that this is the beginning of many such sessions with you and others in the Department of Transportation to review this legislation.

I got the feeling from recent meetings of the American Public Transit Association Legislative Conference that there were some troubling funds on the horizon, financial funds, budgetary funds, some feeling that there are some policy issues relating to issues like 504, issues in a number of respects to modernization, new starts that are of concern to some people.

I hope this year can be creative for us to have some oversight foresight into some of these policy issues.

Let me go right to some questions and if I use up my 5 minutes before I am done, I will be patient and wait and come back for a second round.

As you know, there has been some question about the building of new rail systems in the newer type of American cities where growth has been controlled almost completely by the automobile.

My question is, is there any question within UMTA, or elsewhere, about the wisdom of preserving the Nation's existing rail transportation system?

Mr. PAGE. There is no doubt in our minds. We think that is a priority objective. We think it has been, remains, and should continue to be an important part of the section 3 program. It requires essentially shorter and simpler analysis. It requires shorter and simpler environmental impact statements. The rail lines are in the ground. The people use the existing transit. In most cases, the local match is available and does not have to be secured. So there are many arguments for investing money in preserving the vitality of those systems.

Mr. EDGAR. As you and I have discussed many times, I am very concerned about the fact that many of the rail transit lines in places like Chicago, New York, and Philadelphia, are barely functional. Riding these lines can be a degrading experience.

I would like you to look at a photograph I have here and one that I will share with my colleagues. This photograph is taken in the city of Philadelphia in one of its subway stations. The really sad thing is that SEPTA put this photograph out, in a press release to call people's attention to the fact that new lighting system was put in place. This is the extent of modernization in the city of Philadelphia, at least those stations outside the downtown area. I think it is a disgrace.

Do you know any other nation that has allowed its subway stations to fall into such a state of disrepair as this?

Mr. PAGE. I am not an expert on other nations, but my impression is no.

Mr. EDGAR. I think you can see just from this one example that modernizing existing facilities is needed. While we are proud of the Washington and Atlanta systems, we have neglected the need for modernization.

In the report that accompanied the UMTA 1979 appropriation, you were instructed specifically to accelerate grants for rail modernization.

Can you indicate at this time whether this is being done?

Mr. PAGE. It is being done in this fiscal year, Mr. Edgar. Let me give you some numbers that are in our budget. In fiscal 1978, we spent about \$445 million on the category of rail modernization. In fiscal 1979, that figure is \$535 million. In our estimated budget for fiscal 1980, there is a decline in that to \$450 million and then it goes up to \$485 million in fiscal 1981. While there is a slight decrease, we think we are putting more emphasis on rail modernization this fiscal year compared to last.

We have conducted one comprehensive study which I think has already been submitted to your office and can be made available to the subcommittee, which is the first of two phases of a study to estimate needs in the rail modernization area.

Let me add that in the last few months since the passage of the act and in looking out toward the possible budget level for the next few fiscal years, we have made quite an effort to estimate what the seven or eight older rail cities need and what they can spend. It is easy to say that there is a wish list and it is easy to exaggerate because everyone wants more than they can use, but we have done some research. As I was indicating to the chairman earlier, while we are planning a major proportion of the total section 3 authorization for those old rail cities—approximately \$2.7 billion of the \$7.4 billion in the 5-year authorization for section 3, we have data from those eight cities that indicate that they could probably spend twice as much as that over that five-year period.

We agree that the need is there. We agree that those cities are now using transit and they have ridership and transportation and energy patterns that rely on rail transportation. We want to be as supportive of those older rail cities as we can within the overall budget level.

Mr. EDGAR. So you are indicating that you are serious about rail modernization in these major cities but you are going to fund it at half of the need?

Mr. PAGE. The level of funding authorized in the act last year would permit, after we take into account the other requirements in the act, new starts, rail modernization, and extensions. So we have four or five major parts to the section 3 program. What I was indicating to you was that based on those estimates in the last few months, our intention is to allow some \$2.7 of the \$7.4 billion that is authorized for 5 years for the purposes of rail modernization.

Mr. EDGAR. Mr. Chairman, I have about three more pages of questions, so I would like to pass this time and come back for a second round.

Mr. HOWARD. Mr. Clausen?

Mr. CLAUSEN. Mr. Page, I wonder if I could ask you a general question on the matter of implementing the rural transit program. There are a lot of unknowns. How do you see this being implemented in its best and final form from your advantage point as a transportation expert and administrator?

Mr. PAGE. It is a fair question and we have talked about that, Congressman. We view it as a block grant to the States to distribute that money within the States and into the rural and small urban areas. We hope that the program can evolve so that the State is in fact the recipient of the Federal funds, the responsible public agency for the purpose of engineering, capital, 13(C), and all of the other Federal requirements. We also hope that the States will be the ones to decide how the money should flow within a State so that we can make the paperwork simple, we can have it administered by States through the FHWA division level officers that are in the State capitols.

Mr. CLAUSEN. You say how funds would flow. Would it be possible then for a given State, I being from California, to enter into a contractual arrangement with a county and that that county in turn subcontracts maybe with a private operator in a given area because I have some inquiries along these lines?

Mr. PAGE. Yes, as you describe it, that sounds as if it would be consistent.

One other comment, Congressman, I said it was a block grant but it is not a blank check. The normal procedure is that the State would develop a block of projects and that would have to be submitted to the FHWA and UMTA offices. We hope that the block of projects could be approved quickly.

In the case you mentioned, the county working through the State, would include that project in its annual review of projects and that could be submitted by the State and signed off quickly by the Federal agencies.

Mr. CLAUSEN. What is the budgeted funding level as recommended by the administration for the rural program?

Mr. PAGE. A total of \$75 million is distributed on the basis of a formula to all States.

Mr. CLAUSEN. Does it follow through with criteria guidelines for the local political subdivisions? You are leaving that to the States?

Mr. PAGE. We are leaving that to the States with the guidance in the act that says "fair and equitable." The State must make a

determination on the distribution within the State, and we have to agree that it is a fair and equitable distribution.

Mr. CLAUSEN. Under the act, it clearly states that the Secretary shall not approve of a program unless he finds it actually provides for a fair and equitable distribution of funds within the State including Indian reservations within the State, and so forth. That is the reason I make the point.

Do you have an established criteria to make certain that there will be a fair and equitable distribution?

Mr. PAGE. We do not have those criteria right now.

Mr. CLAUSEN. Do you plan to have them?

Mr. PAGE. I don't believe we do this fiscal year since we are half way into the fiscal year already. We are also taking the view that fair and equitable is an objective that can be met over more than one fiscal year so there may be variations in the way that the money is distributed. We are prepared to acknowledge that there can be a fair and equitable distribution over 2 or 4 fiscal years.

Mr. CLAUSEN. I have one more question but I want to add myself to the comments of Mr. Johnson, the chairman of the committee.

I also have a letter from the California secretary of transportation that is directed to Secretary Adams with regard to the southern California allocation under section 3.

I just want to add my remarks to Mr. Johnson's and on behalf of the secretary of transportation from California as well as the members that were requesting questions.

Mr. PAGE. We will respond to that. We have been concerned about that situation as we have had certain meetings out there and here with officials of southern California. We are working closely with them.

Mr. CLAUSEN. I hope you will provide something for the record on the relationship between 3 and 5 as you described in your testimony.

[The following was received for the record:]

UMTA SUBMISSION FOR THE RECORD

Section 3, as amended by the Surface Transportation Assistance Act (STAA), is the primary UMTA discretionary funding source for capital projects such as rail modernization, new system implementation, and extensions. Section 5 is a formula apportioned program for capital and operating assistance. The STAA established four distinct elements of the Section 5 program and changed the formula for allocating program funds. The funds pursuant to paragraph 5(a)(4) of the Act are available only for the purchase of buses and related equipment, or the construction of bus related facilities.

Section 3(a)(1)(B) of the Urban Mass Transportation Act as amended by the STAA states that "no projects for the replacement or purchase of buses and bus related equipment or the construction of bus related facilities shall be approved unless the Secretary finds that such projects cannot be reasonably funded out of the apportionments under Section 5(a)(4) of this Act." We have interpreted this provision to mean that before a Section 3 grant may be approved for bus and bus related projects, and applicant must demonstrate that the Section 5(a)(4) funds apportioned or expected to be apportioned to the applicant through the life of the Act are insufficient for these purposes.

Although this Section does allow the use of Section 3 funds for bus and bus related projects if Section 5(a)(4) funds are insufficient, we strongly encourage applicants to first fund bus and bus related projects with Section 5 funds prior to the use of Section 3 funds. Similarly, as Congress intended, we encourage non-urbanized area applicants to use Section 18 as the primary source for capital projects prior to the use of Section 3 funds. Our intent is to minimize the demands

upon the Section 3 program while maintaining the flexibility of the use of such funds if needed.

Mr. CLAUSEN. There has been an allegation made that some of the new buses actually purchased by the UMTA funds are of inferior quality. The systems allegedly are experiencing some high operation and maintenance expenses. Is UMTA studying this problem and if so what conclusions have you reached?

Mr. PAGE. I would welcome more information from you, Congressman. We are concerned about it in general. We know that we have paid for some small vans or small buses in the 16(B)2 program that have had maintenance problems. We also know that American Motors, Flexible, and General Motors have encountered some maintenance and operating difficulties with their products. We are concerned about it and we would be delighted to get any specific information you have and look into it.

Mr. CLAUSEN. I will follow up. I will not take any more time. I ask unanimous consent to submit additional questions to Mr. Page.

[The following was received for the record:]

RESPONSE TO QUESTIONS FROM REPRESENTATIVE CLAUSEN
RELATING TO THE RURAL TRANSIT PROGRAM

QUESTION 1: Please describe the rural transit program established by the Secretary under Section 313 of the Surface Transportation Assistance Act of 1978.

ANSWER: Section 313 of the Surface Transportation Act provides for a program of transit assistance to small urban and rural areas. Public transportation projects in non-urbanized areas, including intercity bus services provided by private operators, can be funded under this new program. The Federal share for capital projects cannot exceed 80 percent and for operating assistance projects cannot exceed 50 percent. Funds are apportioned to the Governors, using a non-urbanized population based formula. Eligible recipients include State agencies, local public bodies, local agencies, nonprofit organizations, and operators of public transportation services.

The Secretary implemented Section 313 of the Surface Transportation Assistance Act of 1978 by taking the following actions:

- a. FHWA and UMTA executed a Memorandum of Understanding concerning the joint administration of the rural program, including field and Headquarters responsibilities, on November 30, 1978.
- b. An Emergency Regulation initiating the program was published in the Federal Register on December 13, 1978. This Emergency Regulation imposes no new Federal requirements except those required by Section 313 such as:
 - (1) Annual program of projects
 - (2) Fair and equitable distribution of funds within the State

- (3) Maximum feasible coordination with transportation services assisted by other Federal funds
- (4) 13 (c) labor protection provisions
- c. \$75 million have been apportioned to the States and Territories, using the statutory formula.

QUESTION 2: What specific actions has the Department taken to minimize red tape and delay? How long does it take, on the average, to process a grant application? Have any States complained about red tape or delay?

ANSWER: Within $3\frac{1}{2}$ weeks of signing of the Act, FHWA and UMTA had executed a Memorandum of Understanding for the joint administration of the program. Within 1 month of the approval date, on December 7, 1978, FHWA and UMTA submitted to the Federal Register for publication the Emergency Regulation for implementing the program. It was published on December 13, 1978. All State and Territorial Governors were informed of the program on December 14, 1978, were provided a copy of the Emergency Regulation and were advised of the amount of funds apportioned to each State and Territory.

The Emergency Regulation was developed with the need to minimize red tape in mind. For example:

- a. While the legislation requires the "fair and equitable distribution of funds within the State," we avoided defining the term or establishing criteria for it because we feel that specific fund distribution decisions can best be made at the State level.
- b. Likewise, we do not prescribe how "maximum feasible coordination" with other federally assisted transportation services will be performed, but require only that the States tell us how they will do it.

- c. Finally, the Emergency Regulation permits the use of many procedures already institutionalized by the States in the implementation of other FHWA and UMTA programs.

Issuance of the emergency regulation allowed program implementation to begin immediately. We also plan to issue a Notice of Proposed Rule-making for the Section 18 program so that public comments can be received, with final regulations to be issued later this year.

With respect to the time required to process a grant application, our only experience to date involves those applications that were already prepared and submitted for UMTA Section 3 funds. Projects in Nebraska and Kentucky were converted from Section 3 to Section 18 applications and approved by our FHWA Division Offices. Those particular projects already had approved 13(c) contract language from the Department of Labor. For those applicants that still need 13(c) contract language, we have asked our field staff to process applications as far as possible except for final approval until the 13(c) procedures have been established.

A number of States have voiced concern about red tape and delay that could be introduced into the program if unduly burdensome 13(c) mechanisms were imposed. We have been working with the Department of Labor to address this concern, and a workable 13(c) mechanism has been developed and will be approved this month (June 1979). The mechanism provides two options to the States and Section 18 applicants:

- (1) standard terms and conditions for labor protection that an applicant

could agree to and be immediately in compliance with Section 13(c) with no formal application to or investigation by the Department of Labor; and (2) a process for requesting and receiving a waiver from 13(c) provisions. This mechanism is to be reviewed annually by DOT and DOL and adjustments made if necessary.

With respect to the rest of the Section 18 requirements, several States have been very complimentary to the Department of Transportation for its quick work in issuing simplified procedures and for giving the States maximum responsibility for managing the program.

QUESTION 3: Has the Department completed its evaluation of the Rural Highway Public Transportation Demonstration Program carried out under Section 147 of the Federal-aid Highway Act of 1973? Has the information developed from this evaluation been taken into account in setting up the Rural Transit Program? If so, how? Has the information developed from the Demonstration Program been distributed to the States and other interested parties? Please provide a copy of the evaluation for the record.

ANSWER: The preparation of a final report is now under way and should be completed by the fall of this year. Much information developed from the evaluation was taken into account in setting up the Rural Transit Program. Some of the more significant conclusions based on the Section 147 information were:

- a. the need for public transportation systems in rural areas.
- b. the need for Federal operating cost assistance because of the lack of State and local funds.
- c. the importance of maximum feasible coordination and consolidation of existing transportation providers,

both public and private, including social service agencies.

- d. the need for strong State involvement.

Statistical data collected from the projects have been summarized in computer tabulations and distributed to the States, projects, and other interested parties. An example is attached.

QUESTION 4: Please describe the memorandum of understanding between FHWA and UMTA concerning administration of the program.

ANSWER: The FHWA/UMTA MOU is in four parts:

- a. Part 1 describes the joint responsibility for developing program regulations and guidelines.
- b. Part 2 assigns fiscal responsibility to FHWA.
- c. Part 3 describes administration and management responsibilities of FHWA/UMTA 's field staff (Regions and Divisions) and Headquarters. Final project approval rests with the FHWA Division Administrator. UMTA is consulted at the annual program review stage and assists with management reviews.
- d. Part 4 provides for review and renew 1 of the MOU every 12 months.

QUESTION 5: What has been the State and local reaction to the program?

ANSWER : For the most part, State reaction has been enthusiastic, especially from the 30 States that now have a State assistance program for

transit projects. Local reaction has also been good. Several local officials have told us that they will reserve an opinion until they see how their State distributes the funds and manages the program.

QUESTION 6: Has the Department conducted a study of public transit needs in rural areas? If so, please provide a copy for the record. If not, have any estimates been made?

ANSWER: Yes. Attached is a copy of "Impacts of Rural Transit Funding."

QUESTION 7: Section 18(a) permits appropriations for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Has the Department requested a 2-year appropriation? If not, why not? Wouldn't this be useful to the States for planning purposes?

ANSWER: The Department has requested another \$75 million for fiscal year 1980. Because of the usual start-up requirements of new Federal programs, most States will still have the bulk of the FY 79 apportionment available when the FY 80 funds are apportioned. Therefore, we see no need for a 2-year appropriation at this time. Furthermore, in our memorandum dated December 14, 1978, we advised each Governor to assume for planning purposes that the amount apportioned to his/her State for fiscal years 1980, 1981, and 1982, would be the same as that apportioned for 1979.

QUESTION 8: Have criteria been established for determining what is a "fair and equitable" distribution within the State? If not, how long do you estimate it will take for the Department to develop such criteria?

ANSWER: The Department is not presently planning to develop such criteria, because of the variety of established political and demographic situations

among the States. We will be publishing a Notice of Proposed Rulemaking on the section 18 program and expect to receive comments on the "fair and equitable" provision. If those comments indicate Federal criteria are necessary, they would be developed.

QUESTION 9: Has it been made clear to all State and local governments that projects utilizing purchase of service agreements with private providers of public transportation service are eligible for funding?

ANSWER: We have provided information to Federal, State, and local officials on how private providers of public transportation can participate in the program. In addition to internal memoranda to our field staff, we have used several speaking forums to emphasize this point, including AASHTO Standing Committee on Public Transportation, American Bus Association Regional Meetings, National Association of Counties, Government Information Services, Transportation Research Board, and the National League of Cities.

QUESTION 10: To what extent are States making use of rural transit funds to coordinate public transportation programs (public and private)?

ANSWER: At this time, we cannot quantify the extent to which the States are using program funds to coordinate public transportation programs. Coordination is one of the major requirements of this program. States may use up to 15 percent of apportioned funds for technical assistance and administration, including coordination activities. To date, 15 States have requested approximately \$1.9 million for technical assistance and administration purposes.

QUESTION 11: To what extent are States making use of rural transit funds for research to promote effective means for delivering public transportation service in rural areas?

ANSWER: At this time, we have not heard from all the States as to how they will use State administration and technical assistance funds. However, we do know of three States which are considering research efforts in uniform accounting and bus driver assignments.

QUESTION 12: What progress has been made in implementing Section 18(f)? What modifications have been made in Section 13(c) requirements as a result of the special needs of public transportation in rural areas? What provisions of Section 13(c) have been waived by the Secretary of Labor?

ANSWER: With reference to progress in implementing Section 18(f), and in particular with the first sentence in Section 18(f), we have avoided prescribing new requirements or procedures that are not specifically required by law. We have not yet specifically waived any particular provisions of law, as authorized, due to the urgency to implement the program as quickly as possible. We will consider either waiving and modifying some current requirements in the final regulation for this program which we hope to issue later this year.

The 13(c) procedures which will be applicable to the Section 18 program are described in our answer to question 2. No provisions of 13(c) have been waived by DOL.

QUESTION 13. Of the funds obligated to date, what percentage has been obligated for capital projects? For operating assistance projects?

ANSWER: Of approximately \$2.3 million obligated to date:

- - \$1.9 million, or 83 percent is for technical assistance
- - \$160,000, or 7 percent is for capital assistance
- - \$240,000, or 10 percent is for operating assistance

We anticipate a significant increase in obligations when the 13(c) procedures are established.

QUESTION 14: Has the Department established a mechanism to monitor the implementation of Section 18(f) to ensure that unnecessary delays are avoided?

ANSWER: The Federal Highway Administration has established the Rural and Small Urban Public Transportation Branch for the purpose of implementing this new program. One of the key functions of this Branch is to identify implementation problems and, using the authority of Section 18(f), to work to resolve the problems and to avoid further delays.

QUESTION 15: What type of projects are being funded under the program?

ANSWER: In Kentucky, the City of Henderson is expanding its bus fleet from 9 to 10 and making other major improvements for \$100,000. In Vermont, the city of Burlington has received \$200,000 for transit operating expenses. Three other former Section 147 demonstration projects in Vermont are receiving operating funds. In Nebraska, several Section 16(b)(1) applicants have decided to go public and have received funds to purchase vans. These are examples of projects funded to date.

QUESTION 16: Has the Department experienced any problems in implementing the program?

ANSWER: All new programs have implementation problems. We have had both minor and major ones. The Rural and Small Urban Public Transportation Branch receives questions or indications of potential problems daily and, with UMTA's advice and assistance, is responding. We are working with the Department of Labor to develop mutually acceptable procedures to implement the provisions of 13(c), as discussed in answer number 2.

QUESTION 17. Has the Department established a program to measure the performance of the rural transit program in order to determine whether the program is meeting its objectives and to assist in future policy and management decisions? If so, please describe the evaluation program.

ANSWER: Yes. We plan to closely monitor Section 18 projects and the States' use of administration and technical assistance funds. We will use the results of the Section 147 program as a basis for comparison. Changes in operating procedures to improve the performance of the program will be made as necessary.

EXPLANATORY COMMENTS AND NOTES

1. On the cost and revenues project report, the last line is Total Revenues and Grants minus Total Costs. This is an indication of the cash flow on the project. There are some very large cash flows, both positive and negative. Because this is a reimbursable program, the large cash flows are possible, but they should be checked to see if they are reasonable. In particular, several projects have not reported Federal 147 and other grants for the quarter.
2. On the trip statistics report, you will note that the "to home" purpose is lower than would be expected. A number of projects are either not reporting or are reporting a low number of "to home" trips. This should be checked and discussed with those projects.
3. There are several cases where data were not reported. An averaging technique was used to minimize the effect of the missing data on the national performance measures. Since not all of the projects reported vehicle hours, any national measures using vehicle hours are biased.
4. Percentage changes from the previous quarter for national and peer group data are not reliable because of incomplete data from the previous quarter.
5. On the trip statistics report, the number of vehicles operated is the average over the quarter.
6. Percentages on trip statistics and cost/revenues reports do not total exactly to 100 percent because of truncation.
7. Peer group identification:

Group 1 projects, High density¹-high vehicles²

Forest Grove - Oregon
 Chittendon Co. - Vermont
 Barnstable Co. - Massachusetts
 Chenago - New York
 Chester Co. - Pennsylvania
 Indiana Co. - Pennsylvania
 Region 6 - West Virginia
 Region 9 - West Virginia
 James City Co. - Virginia
 JAUNT - Virginia
 Pee Dee - South Carolina
 Progress for People - Tennessee
 Clermont Co. - Ohio
 Woodbury Co. - Iowa
 Humboldt Co. - California

Group 2 projects, High density - low vehicles³

Metro Mobility - Oregon
 City of Reedsport - Oregon
 Bennington - Vermont
 Franklin Co. - Massachusetts
 Northeastern - Connecticut
 Chester Co. - Pennsylvania
 Qualla - North Carolina
 Geauga Co. - Ohio
 City of Escalon - California

Group 3 projects, Low density⁴ - high vehicle

Grays Harbor - Oregon
 Randolph - Vermont
 Tribal Governors - Maine
 North Central - Pennsylvania
 Region 8 - West Virginia
 Cumberland - Kentucky
 Hancock Co. - Tennessee
 Suwannee Valley - Florida
 Prairie Opportunity - Mississippi
 Eastern Upper Peninsula - Michigan
 Baraga Co. - Michigan
 Jefferson Davis - Louisiana
 Northeast Kansas - Kansas
 West River - North Dakota

Group 4 projects, Low density - low vehicle

City of Prosser - Washington
 Clackmas Co. - Oregon
 Northern Kennebec - Maine
 Region 4 - West Virginia
 Macon Co. - Alabama
 Golden Circle - Illinois
 Carter Co. - Oklahoma
 Taos - Rio Arriba - New Mexico
 Devil's Lake Sioux - North Dakota
 Tuolumne Co. - California

- B. On the trip statistics report, the national average seat miles per vehicle and per cent change is being calculated incorrectly by the computer.

¹High Density--Service area with greater than 50 persons per square mile according to baseline data.

²High Vehicles--Project with more than 5 or more vehicles operated.

³Low Vehicles--Project with less than 5 vehicles operated.

⁴Low Density--Service area with less than 50 persons per square mile.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
QUARTERLY REPORT OF TRIP STATISTICS
JANUARY, 1978 - MARCH, 1978

PEER GROUP: HIGH DENSITY-HIGH VEHICLES

VEHICLE TRIP STATISTICS	PEER GROUP		NATIONAL	
	PER VEHICLE	% CHANGE FROM PREV QTR	PER VEHICLE	% CHANGE FROM PREV QTR
NO. OF VEHICLES OPERATED	1.0	0.5 %	1.0	6.7 %
VEHICLE MILES	5944.7	-7.9 %	5991.5	6.1 %
SEAT MILES	93730.4	2.4 %		
DEADHEAD MILES	1011.6	-0.3 %	1012.9	7.4 %
VEHICLE HOURS	425.3	-16.3 %	376.4	-5.6 %
PASSENGER TRIP STATISTICS				
PASSENGER MILES	16401.1	51.9 %	16105.6	38.8 %
TOTAL PASSENGER TRIPS	1924.7	5.6 %	1609.0	19.3 %
NO. OF TRIPS BY ELDERLY	602.5	30.1 %	479.7	34.1 %
NO. OF TRIPS BY HANDICAPPED	220.7	-25.5 %	201.5	-15.3 %
TRIP PURPOSE STATISTICS				
	% OF TOTAL TRIPS		% OF TOTAL TRIPS	
	% CHANGE FROM PREV QTR		% CHANGE FROM PREV QTR	
WORK	17.9 %	-29.6 %	18.6 %	-12.7 %
GROCERY SHOPPING	3.9 %	3.3 %	3.9 %	24.5 %
OTHER SHOPPING	5.5 %	23.4 %	5.3 %	18.1 %
MEDICAL/DENTAL	6.6 %	27.4 %	5.6 %	29.9 %
SOCIAL/RECREATION	3.9 %	24.4 %	3.7 %	30.4 %
CHURCH	0.1 %	78.1 %	1.1 %	538.3 %
WELFARE/FOOD STAMPS	1.9 %	48.5 %	1.2 %	38.2 %
SENIOR CENTERS	3.2 %	4.0 %	2.6 %	21.4 %
NUTRITION SITES	18.4 %	184.3 %	13.4 %	144.1 %
CIVIC/COMMUNITY ACTION	0.4 %	24.8 %	1.8 %	464.1 %
SCHOOL/EDUCATIONAL	10.9 %	-34.7 %	10.9 %	-24.8 %
TRANSFER MODE	0.7 %	-4.2 %	0.8 %	23.1 %
TO HOME	20.4 %	40.3 %	23.7 %	44.3 %
MISCELLANEOUS	5.3 %	-17.2 %	6.5 %	40.0 %
TOTAL PASSENGER TRIPS	99.0 %	8.2 %	98.9 %	22.0 %
DELIVER PARCEL	0.3 %	13.5 %	0.2 %	11.1 %
DELIVER MEAL	0.7 %	-13.5 %	0.9 %	38.1 %
TOTAL TRIPS, ALL TYPES	100.0 %	8.1 %	100.0 %	20.9 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
QUARTERLY REPORT OF TRIP STATISTICS
JANUARY, 1978 - MARCH, 1978

PEER GROUP: HIGH DENSITY- LOW VEHICLES

VEHICLE TRIP STATISTICS	PEER GROUP		NATIONAL	
	PER VEHICLE	% CHANGE FROM PREV QTR	PER VEHICLE	% CHANGE FROM PREV QTR
NO. OF VEHICLES OPERATED	1.0	7.7 %	1.0	6.7 %
VEHICLE MILES	8555.4	19.6 %	5991.5	6.1 %
SEAT MILES	123598.8	26.0 %		
DEADHEAD MILES	1716.7	-5.4 %	1012.9	7.4 %
VEHICLE HOURS	510.2	16.5 %	376.4	-5.6 %
PASSENGER TRIP STATISTICS				
PASSENGER MILES	19171.5	87.7 %	16105.6	38.8 %
TOTAL PASSENGER TRIPS	2122.4	52.7 %	1609.0	19.3 %
NO. OF TRIPS BY ELDERLY	370.9	17.1 %	479.7	34.1 %
NO. OF TRIPS BY HANDICAPPED	201.9	24.6 %	201.5	-15.3 %
TRIP PURPOSE STATISTICS				
	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR
WORK	20.4 %	63.6 %	18.6 %	-12.7 %
GROCERY SHOPPING	2.1 %	24.0 %	3.9 %	24.5 %
OTHER SHOPPING	7.9 %	4.7 %	5.3 %	18.1 %
MEDICAL/DENTAL	2.2 %	46.9 %	5.6 %	29.9 %
SOCIAL/RECREATION	2.4 %	-10.7 %	3.7 %	30.4 %
CHURCH	0.0 %	-92.8 %	1.1 %	538.3 %
WELFARE/FOOD STAMPS	0.3 %	80.3 %	1.2 %	38.2 %
SENIOR CENTERS	0.7 %	105.8 %	2.6 %	21.4 %
NUTRITION SITES	3.8 %	17.6 %	13.4 %	144.1 %
CIVIC/COMMUNITY ACTION	0.6 %	-2.9 %	1.8 %	464.1 %
SCHOOL/EDUCATIONAL	14.9 %	207.2 %	10.9 %	-24.8 %
TRANSFER MODE	1.7 %	208.4 %	0.8 %	23.1 %
TO HOME	39.8 %	60.4 %	23.7 %	44.3 %
MISCELLANEOUS	3.3 %	47.2 %	6.5 %	40.0 %
TOTAL PASSENGER TRIPS	100.0 %	58.3 %	98.9 %	22.0 %
DELIVER PARCEL	0.0 %	0.0 %	0.2 %	11.1 %
DELIVER MEAL	0.0 %	-95.3 %	0.9 %	-38.1 %
TOTAL TRIPS, ALL TYPES	100.0 %	58.0 %	100.0 %	20.9 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF TRIP STATISTICS
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: LOW DENSITY-HIGH VEHICLES

VEHICLE TRIP STATISTICS	PEER GROUP		NATIONAL	
	PER VEHICLE	% CHANGE FROM PREV QTR	PER VEHICLE	% CHANGE FROM PREV QTR
NO. OF VEHICLES OPERATED	1.0	3.6 %	1.0	6.7 %
VEHICLE MILES	5418.8	10.8 %	5991.5	6.1 %
SEAT MILES	87966.6	0.8 %		
DEADHEAD MILES	857.6	7.0 %	1012.9	7.4 %
VEHICLE HOURS	306.5	-13.6 %	376.4	-5.6 %
PASSENGER TRIP STATISTICS				
PASSENGER MILES	15879.3	2.8 %	16105.6	38.8 %
TOTAL PASSENGER TRIPS	1086.0	16.9 %	1609.0	19.3 %
NO. OF TRIPS BY ELDERLY	247.9	14.9 %	479.7	34.1 %
NO. OF TRIPS BY HANDICAPPED	170.8	-22.8 %	201.5	-15.3 %
TRIP PURPOSE STATISTICS				
	PEER GROUP		NATIONAL	
	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR
WORK	23.1 %	13.4 %	18.6 %	-12.7 %
GROCERY SHOPPING	4.8 %	195.2 %	3.9 %	24.5 %
OTHER SHOPPING	4.6 %	5.6 %	5.3 %	18.1 %
MEDICAL/DENTAL	5.7 %	28.9 %	5.6 %	29.9 %
SOCIAL/RECREATION	3.0 %	80.2 %	3.7 %	30.4 %
CHURCH	4.7 %	1504.5 %	1.1 %	538.3 %
WELFARE/FOOD STAMPS	0.3 %	-47.7 %	1.2 %	38.2 %
SENIOR CENTERS	2.6 %	137.8 %	2.6 %	21.4 %
NUTRITION SITES	2.6 %	18.0 %	13.4 %	144.1 %
CIVIC/COMMUNITY ACTION	6.6 %	2450.0 %	1.8 %	464.1 %
SCHOOL/EDUCATIONAL	8.6 %	-44.8 %	10.9 %	-24.8 %
TRANSFER MODE	0.8 %	34.4 %	0.8 %	23.1 %
TO HOME	23.7 %	36.6 %	23.7 %	44.3 %
MISCELLANEOUS	8.7 %	635.7 %	6.5 %	40.0 %
TOTAL PASSENGER TRIPS	99.8 %	39.4 %	98.9 %	22.0 %
DELIVER PARCEL	0.0 %	-41.0 %	0.2 %	11.1 %
DELIVER MEAL	0.1 %	-94.6 %	0.9 %	-38.1 %
TOTAL TRIPS, ALL TYPES	100.0 %	34.8 %	100.0 %	20.9 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF TRIP STATISTICS
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: LOW DENSITY- LOW VEHICLES

VEHICLE TRIP STATISTICS	PEER GROUP		NATIONAL	
	PER VEHICLE	% CHANGE FROM PREV QTR	PER VEHICLE	% CHANGE FROM PREV QTR
NO. OF VEHICLES OPERATED	1.0	9.1 %	1.0	6.7 %
VEHICLE MILES	6583.5	34.0 %	5991.5	6.1 %
SEAT MILES	98206.7	36.0 %		
DEADHEAD MILES	914.7	38.7 %	1012.9	7.4 %
VEHICLE HOURS	398.6	16.0 %	376.4	-5.6 %
PASSENGER TRIP STATISTICS				
PASSENGER MILES	13460.1	33.6 %	16105.6	38.8 %
TOTAL PASSENGER TRIPS	1188.1	34.9 %	1609.0	19.3 %
NO. OF TRIPS BY ELDERLY	527.3	16.4 %	479.7	34.1 %
NO. OF TRIPS BY HANDICAPPED	166.0	33.2 %	201.5	-15.3 %
TRIP PURPOSE STATISTICS	PEER GROUP		NATIONAL	
	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR	% OF TOTAL TRIPS	% CHANGE FROM PREV QTR
WORK	9.9 %	92.7 %	18.6 %	-12.7 %
GROCERY SHOPPING	2.8 %	-20.6 %	3.9 %	24.5 %
OTHER SHOPPING	3.2 %	63.1 %	5.3 %	18.1 %
MEDICAL/DENTAL	2.7 %	75.9 %	5.6 %	29.9 %
SOCIAL/RECREATION	4.7 %	39.0 %	3.7 %	30.4 %
CHURCH	0.4 %	23.2 %	1.1 %	538.3 %
WELFARE/FOOD STAMPS	0.5 %	144.4 %	1.2 %	38.2 %
SENIOR CENTERS	0.1 %	---	2.6 %	21.4 %
NUTRITION SITES	17.7 %	82.9 %	13.4 %	144.1 %
CIVIC/COMMUNITY ACTION	0.0 %	-95.9 %	1.8 %	464.1 %
SCHOOL/EDUCATIONAL	12.4 %	80.3 %	10.9 %	-24.8 %
TRANSFER MODE	0.4 %	42.5 %	0.8 %	23.1 %
TO HOME	28.8 %	61.6 %	23.7 %	44.3 %
MISCELLANEOUS	11.6 %	188.9 %	6.5 %	40.0 %
TOTAL PASSENGER TRIPS	95.1 %	72.9 %	98.9 %	22.0 %
DELIVER PARCEL	0.1 %	162.5 %	0.2 %	11.1 %
DELIVER MAIL	4.8 %	14.1 %	0.9 %	-38.1 %
TOTAL TRIPS, ALL TYPES	100.0 %	68.8 %	100.0 %	20.9 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF PERFORMANCE MEASURES
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: HIGH DENSITY-HIGH VEHICLES

	PEER GROUP % CHANGE ACTUAL FROM PREV QTR		NATIONAL % CHANGE ACTUAL FROM PREV QTR	
PASSENGER MEASURES				
PERCENT TRIPS BY ELDERLY RIDERS	31.3 %	23.2 %	29.8 %	12.5 %
PERCENT TRIPS BY HANDICAPPED RIDERS	11.5 %	-29.0 %	12.5 %	-29.0 %
PASSENGER MILES PER PASSENGER TRIPS	8.5	43.7 %	10.0	16.4 %
VEHICLE MEASURES				
DEADHEAD FACTOR (DEADHEAD MILES PER VEHIC. MILE)	17.0 %	8.3 %	16.9 %	1.2 %
VEHICLE MILES PER VEHICLE HOUR	14.0	10.1 %	15.9	12.5 %
SEAT MILES PER VEHICLE MILE	15.8	11.2 %	15.7	3.5 %
PASSENGER-VEHICLE RELATIONSHIPS				
LOAD FACTOR (PASSENGER MILES PER SEAT MILES)	17.5 %	48.3 %	17.1 %	26.7 %
VEHICLE MILES PER PASSENGER TRIP	3.1	-12.7 %	3.7	-11.2 %
PASSENGER MILES PER VEHICLE MILE	2.8	65.3 %	2.7	31.2 %
PASSENGER TRIPS PER VEHICLE HOUR	4.5	26.5 %	4.3	26.3 %
PASSENGER MILES PER VEHICLE HOUR	38.6	81.5 %	42.8	47.1 %
PASSENGER MILES PER GALLON	19.7	45.0 %	22.6	36.9 %
OPERATING COST MEASURES				
OPERATING COST PER PASSENGER MILE	\$0.18	-37.9 %	\$0.18	-21.7 %
OPERATING COST PER PASSENGER TRIP	\$1.50	-12.3 %	\$1.78	-11.9 %
OPERATING COST PER VEHICLE MILE	\$0.49	2.1 %	\$0.48	---
OPERATING COST PER VEHICLE HOUR	\$6.80	10.7 %	\$7.61	11.6 %
ADMINISTRATIVE COST MEASURES				
ADMINISTRATIVE COST PER PASSENGER MILE	\$0.06	-14.3 %	\$0.07	-12.5 %
ADMINISTRATIVE COST PER PASSENGER TRIP	\$0.53	26.2 %	\$0.69	-1.4 %
ADMINISTRATIVE COST PER VEHICLE MILE	\$0.17	41.7 %	\$0.19	11.8 %
ADMINISTRATIVE COST PER VEHICLE HOUR	\$2.39	58.3 %	\$2.97	25.3 %
REVENUE MEASURES				
REVENUE PER PASSENGER MILE	\$0.07	-30.0 %	\$0.06	-14.3 %
REVENUE PER PASSENGER TRIP	\$0.56	-3.4 %	\$0.58	-6.5 %
REVENUE PER VEHICLE MILE	\$0.18	12.5 %	\$0.16	6.7 %
REVENUE PER VEHICLE HOUR	\$2.52	21.2 %	\$2.50	19.6 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF PERFORMANCE MEASURES
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: HIGH DENSITY- LOW VEHICLES

	PEER GROUP % CHANGE FROM PREV QTR		NATIONAL % CHANGE FROM PREV QTR	
ACTUAL			ACTUAL	
PASSENGER MEASURES				
PERCENT TRIPS BY ELDERLY RIDERS	17.5 %	-23.2 %	29.8 %	12.5 %
PERCENT TRIPS BY HANDICAPPED RIDERS	9.5 %	-18.8 %	12.5 %	-29.0 %
PASSENGER MILES PER PASSENGER TRIPS	9.0	22.9 %	10.0	16.4 %
VEHICLE MEASURES				
DEADHEAD FACTOR (DEADHEAD MILES PER VEHIC. MILE)	20.1 %	-20.9 %	16.9 %	1.2 %
VEHICLE MILES PER VEHICLE HOUR	16.8	2.6 %	15.9	12.5 %
SEAT MILES PER VEHICLE MILE	14.5	5.4 %	15.7	3.5 %
PASSENGER-VEHICLE RELATIONSHIPS				
LOAD FACTOR (PASSENGER MILES PER SEAT MILES)	15.5 %	49.0 %	17.1 %	26.7 %
VEHICLE MILES PER PASSENGER TRIPS	4.0	-21.7 %	3.7	-11.2 %
PASSENGER MILES PER VEHICLE MILE	2.2	56.6 %	2.7	31.2 %
PASSENGER TRIPS PER VEHICLE HOUR	4.2	31.2 %	4.3	26.3 %
PASSENGER MILES PER VEHICLE HOUR	37.6	61.1 %	42.8	47.1 %
PASSENGER MILES PER GALLON	19.0	41.3 %	22.6	36.9 %
OPERATING COST MEASURES				
OPERATING COST PER PASSENGER MILE	\$0.21	-36.4 %	\$0.18	-21.7 %
OPERATING COST PER PASSENGER TRIP	\$1.92	-21.0 %	\$1.78	-11.9 %
OPERATING COST PER VEHICLE MILE	\$0.48	2.1 %	\$0.48	---
OPERATING COST PER VEHICLE HOUR	\$7.97	3.4 %	\$7.61	11.6 %
ADMINISTRATIVE COST MEASURES				
ADMINISTRATIVE COST PER PASSENGER MILE	\$0.10	-28.6 %	\$0.07	-12.5 %
ADMINISTRATIVE COST PER PASSENGER TRIP	\$0.88	-17.0 %	\$0.69	-1.4 %
ADMINISTRATIVE COST PER VEHICLE MILE	\$0.22	4.8 %	\$0.19	11.8 %
ADMINISTRATIVE COST PER VEHICLE HOUR	\$3.64	8.7 %	\$2.97	25.3 %
REVENUE MEASURES				
REVENUE PER PASSENGER MILE	\$0.04	-20.0 %	\$0.06	-14.3 %
REVENUE PER PASSENGER TRIP	\$0.33	-10.8 %	\$0.58	-6.5 %
REVENUE PER VEHICLE MILE	\$0.08	14.3 %	\$0.16	6.7 %
REVENUE PER VEHICLE HOUR	\$1.35	15.4 %	\$2.50	19.6 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
QUARTERLY REPORT OF PERFORMANCE MEASURES
JANUARY, 1978 - MARCH, 1978

PEER GROUP: LOW DENSITY-HIGH VEHICLES

	PEER GROUP		NATIONAL	
	ACTUAL	% CHANGE FROM PREV QTR	ACTUAL	% CHANGE FROM PREV QTR
PASSENGER MEASURES				
PERCENT TRIPS BY ELDERLY RIDERS	22.8 %	-1.7 %	29.8 %	12.5 %
PERCENT TRIPS BY HANDICAPPED RIDERS	15.7 %	-34.0 %	12.5 %	-29.0 %
PASSENGER MILES PER PASSENGER TRIPS	14.6	-12.0 %	10.0	16.4 %
VEHICLE MEASURES				
DEADHEAD FACTOR (DEADHEAD MILES PER VEHIC. MILE)	15.8 %	-3.7 %	16.9 %	1.2 %
VEHICLE MILES PER VEHICLE HOUR	17.7	28.3 %	15.9	12.5 %
SEAT MILES PER VEHICLE MILE	16.2	-9.0 %	15.7	3.5 %
PASSENGER-VEHICLE RELATIONSHIPS				
LOAD FACTOR (PASSENGER MILES PER SEAT MILES)	18.1 %	2.3 %	17.1 %	26.7 %
VEHICLE MILES PER PASSENGER TRIPS	5.0	-5.3 %	3.7	-11.2 %
PASSENGER MILES PER VEHICLE MILE	2.9	-7.3 %	2.7	31.2 %
PASSENGER TRIPS PER VEHICLE HOUR	3.5	35.1 %	4.3	26.3 %
PASSENGER MILES PER VEHICLE HOUR	51.8	19.1 %	42.8	47.1 %
PASSENGER MILES PER GALLON	30.6	24.4 %	22.6	36.9 %
OPERATING COST MEASURES				
OPERATING COST PER PASSENGER MILE	\$0.16	6.7 %	\$0.18	-21.7 %
OPERATING COST PER PASSENGER TRIP	\$2.33	-7.2 %	\$1.78	-11.9 %
OPERATING COST PER VEHICLE MILE	\$0.47	-2.1 %	\$0.48	---
OPERATING COST PER VEHICLE HOUR	\$8.26	25.9 %	\$7.61	11.6 %
ADMINISTRATIVE COST MEASURES				
ADMINISTRATIVE COST PER PASSENGER MILE	\$0.05	---	\$0.07	-12.5 %
ADMINISTRATIVE COST PER PASSENGER TRIP	\$0.80	-10.1 %	\$0.69	-1.4 %
ADMINISTRATIVE COST PER VEHICLE MILE	\$0.16	-5.9 %	\$0.19	11.8 %
ADMINISTRATIVE COST PER VEHICLE HOUR	\$2.82	20.5 %	\$2.97	25.3 %
REVENUE MEASURES				
REVENUE PER PASSENGER MILE	\$0.05	---	\$0.06	-14.3 %
REVENUE PER PASSENGER TRIP	\$0.70	-10.3 %	\$0.58	-6.5 %
REVENUE PER VEHICLE MILE	\$0.14	-6.7 %	\$0.16	6.7 %
REVENUE PER VEHICLE HOUR	\$2.49	21.5 %	\$2.50	19.6 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF PERFORMANCE MEASURES
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: LOW DENSITY- LOW VEHICLES

	PEER GROUP % CHANGE		NATIONAL % CHANGE	
	ACTUAL	FROM PREV QTR	ACTUAL	FROM PREV QTR
PASSENGER MEASURES				
PERCENT TRIPS BY ELDERLY RIDERS	44.4 %	-13.6 %	29.8 %	12.5 %
PERCENT TRIPS BY HANDICAPPED RIDERS	14.0 %	-1.4 %	12.5 %	-29.0 %
PASSENGER MILES PER PASSENGER TRIPS	11.3	-1.0 %	10.0	16.4 %
VEHICLE MEASURES				
DEADHEAD FACTOR (DEADHEAD MILES PER VEHIC. MILE)	13.9 %	3.7 %	16.9 %	1.2 %
VEHICLE MILES PER VEHICLE HOUR	16.5	15.5 %	15.9	12.5 %
SEAT MILES PER VEHICLE MILE	14.9	1.5 %	15.7	3.5 %
PASSENGER-VEHICLE RELATIONSHIPS				
LOAD FACTOR (PASSENGER MILES PER SEAT MILES)	13.7 %	-2.1 %	17.1 %	26.7 %
VEHICLE MILES PER PASSENGER TRIPS	5.5	-0.7 %	3.7	-11.2 %
PASSENGER MILES PER VEHICLE MILE	2.0	-0.5 %	2.7	31.2 %
PASSENGER TRIPS PER VEHICLE HOUR	3.0	16.4 %	4.3	26.3 %
PASSENGER MILES PER VEHICLE HOUR	33.8	15.2 %	42.8	67.1 %
PASSENGER MILES PER GALLON	18.2	9.4 %	22.6	36.9 %
OPERATING COST MEASURES				
OPERATING COST PER PASSENGER MILE	\$0.23	-11.5 %	\$0.18	-21.7 %
OPERATING COST PER PASSENGER TRIP	\$2.55	-14.1 %	\$1.78	-11.9 %
OPERATING COST PER VEHICLE MILE	\$0.46	-13.2 %	\$0.48	---
OPERATING COST PER VEHICLE HOUR	\$7.61	---	\$7.61	11.6 %
ADMINISTRATIVE COST MEASURES				
ADMINISTRATIVE COST PER PASSENGER MILE	\$0.14	-36.4 %	\$0.07	-12.5 %
ADMINISTRATIVE COST PER PASSENGER TRIP	\$1.64	-34.4 %	\$0.69	-1.4 %
ADMINISTRATIVE COST PER VEHICLE MILE	\$0.30	-33.3 %	\$0.19	11.8 %
ADMINISTRATIVE COST PER VEHICLE HOUR	\$4.88	-24.0 %	\$2.97	25.3 %
REVENUE MEASURES				
REVENUE PER PASSENGER MILE	\$0.06	50.0 %	\$0.06	-14.3 %
REVENUE PER PASSENGER TRIP	\$0.64	25.5 %	\$0.58	-6.5 %
REVENUE PER VEHICLE MILE	\$0.12	33.3 %	\$0.16	6.7 %
REVENUE PER VEHICLE HOUR	\$1.92	46.6 %	\$2.50	19.6 %

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF COSTS AND REVENUES
 JANUARY, 1978 - MARCH, 1978

PEER GROUP 1: HIGH DENSITY-HIGH VEHICLES

OPERATING COSTS	PEER GROUP		NATIONAL	
	% OF TOTAL COST	CHANGE FROM PREV QTR	% OF TOTAL COST	CHANGE FROM PREV QTR
DRIVERS	37.2%	31.1%	37.1%	32.2%
DISPATCHING	4.5%	-4.9%	5.8%	28.0%
FUEL	9.6%	32.1%	9.3%	31.6%
OIL	0.2%	39.8%	0.2%	24.8%
REPAIRS	10.8%	46.8%	7.9%	43.2%
INSURANCE	3.6%	-4.7%	4.3%	-3.5%
LICENSES	0.1%	-54.0%	0.1%	-40.1%
LEASING EXPENSES (PRO-RATE)	0.1%	-52.3%	0.6%	17.0%
TOTAL OPERATING COSTS	66.4%	26.4%	65.4%	29.2%
ADMINISTRATIVE COSTS				
SUPERVISORY LABOR	11.6%	65.0%	14.4%	35.6%
ADV. AND PROMOTION	0.9%	412.6%	1.0%	80.0%
OFFICE EXPENSES	8.4%	92.5%	7.4%	61.9%
MONITORING AND EVALUATION	1.8%	230.0%	1.5%	117.3%
TOTAL ADMINISTRATIVE COSTS	22.8%	87.7%	24.3%	48.0%
CAPITAL COSTS				
VEHICLE PURCHASES	7.5%	-46.7%	7.8%	-30.3%
LEASING EXPENSES (PRO-RATE)	2.0%	55.0%	1.1%	18.3%
FACILITIES	0.6%	-11.0%	0.5%	-4.2%
SPECIAL EQUIPMENT	0.4%	-73.2%	0.5%	-47.3%
TOTAL CAPITAL COSTS	10.7%	-40.5%	10.1%	-27.3%
TOTAL ALL COSTS	100.0%	20.8%	100.0%	23.3%
REVENUES				
REVENUES	PEER GROUP		NATIONAL	
	% OF TOTAL REV.	CHANGE FROM PREV QTR	% OF TOTAL REV.	CHANGE FROM PREV QTR
REGULAR FARES	28.6%	53.6%	30.0%	47.8%
DISCOUNTED FARES	0.2%	-9.9%	1.0%	78.3%
PASSENGER CONTRIBUTIONS	3.6%	-5.0%	4.2%	22.0%
PASSES AND MEMBERSHIPS	8.3%	41.4%	6.6%	41.5%
CHARTERS, ADV. AND RENTALS	0.1%	-79.5%	1.2%	-35.8%
CONTRACTS	57.4%	20.5%	54.4%	26.8%
DELIVERIES	0.6%	396.1%	1.2%	55.9%
OTHER OPERATIONS	0.8%	265.1%	1.0%	495.9%
TOTAL REVENUES	100.0%	28.9%	100.0%	33.4%
GRANTS				
GRANTS	PEER GROUP		NATIONAL	
	% OF TOTAL GRANTS	CHANGE FROM PREV QTR	% OF TOTAL GRANTS	CHANGE FROM PREV QTR
FEDERAL	76.8%	114.4%	81.2%	73.0%
STATE	8.1%	4.6%	7.2%	-27.6%
LOCAL AND PRIVATE	14.3%	229.9%	11.5%	179.8%
TOTAL GRANTS	100.0%	105.8%	100.0%	63.6%

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
 QUARTERLY REPORT OF COSTS AND REVENUES
 JANUARY, 1978 - MARCH, 1978

PEER GROUP: HIGH DENSITY- LOW VEHICLES

OPERATING COSTS	PEER GROUP		NATIONAL	
	% OF TOTAL COST	CHANGE FROM PREV QTR	% OF TOTAL COST	CHANGE FROM PREV QTR
DRIVERS	42.1%	8.0%	37.1%	32.2%
DISPATCHING	4.9%	67.7%	5.8%	28.0%
FUEL	9.5%	28.4%	9.3%	31.6%
OIL	0.2%	15.7%	0.2%	24.8%
REPAIRS	8.2%	53.3%	7.9%	43.2%
INSURANCE	5.1%	38.3%	4.3%	-3.5%
LICENSES	0.0%	-88.4%	0.1%	-40.1%
LEASING EXPENSES (PRD-RATED)	1.5%	66.0%	0.6%	17.0%
TOTAL OPERATING COSTS	71.8%	20.3%	65.4%	29.2%
ADMINISTRATIVE COSTS				
SUPERVISORY LABOR	16.2%	-3.1%	14.4%	35.6%
ADV. AND PROMOTION	1.1%	-52.8%	1.0%	80.0%
OFFICE EXPENSES	9.2%	199.0%	7.4%	61.9%
MONITORING AND EVALUATION	1.5%	---	1.5%	117.3%
TOTAL ADMINISTRATIVE COSTS	28.1%	26.6%	24.3%	48.0%
CAPITAL COSTS				
VEHICLE PURCHASES	0.0%	-100.0%	7.8%	-30.3%
LEASING EXPENSES (PRD-RATED)	0.0%	0.0%	1.1%	18.3%
FACILITIES	0.0%	-75.7%	0.5%	-4.2%
SPECIAL EQUIPMENT	0.0%	-100.0%	0.5%	-47.3%
TOTAL CAPITAL COSTS	0.0%	-99.8%	10.1%	-27.3%
TOTAL ALL COSTS	100.0%	-21.8%	100.0%	23.3%
REVENUES				
	% OF TOTAL REV.	CHANGE FROM PREV QTR	% OF TOTAL REV.	CHANGE FROM PREV QTR
REGULAR FARES	21.9%	22.8%	30.0%	47.8%
DISCOUNTED FARES	2.2%	11.5%	1.0%	78.3%
PASSENGER CONTRIBUTIONS	15.2%	79.3%	4.2%	22.0%
PASSES AND MEMBERSHIPS	9.8%	17.3%	6.6%	41.5%
CHARTERS, ADV. AND RENTALS	7.1%	-7.6%	1.2%	-35.8%
CONTRACTS	0.0%	-91.6%	1.2%	55.9%
DELIVERIES	6.1%	---	1.0%	495.9%
OTHER OPERATIONS	100.0%	35.1%	100.0%	33.4%
TOTAL REVENUES				
GRANTS				
	% OF TOTAL GRANTS	CHANGE FROM PREV QTR	% OF TOTAL GRANTS	CHANGE FROM PREV QTR
FEDERAL	86.4%	-46.8%	81.2%	73.0%
STATE	0.0%	0.0%	7.2%	-27.6%
LOCAL AND PRIVATE	13.5%	16.9%	11.5%	175.8%
TOTAL GRANTS	100.0%	-42.6%	100.0%	63.6%

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
QUARTERLY REPORT OF COSTS AND REVENUES
JANUARY, 1978 - MARCH, 1978

PEER GROUP 1 LOW DENSITY-HIGH VEHICLES

OPERATING COSTS	PEER GROUP		NATIONAL	
	% OF TOTAL COST	CHANGE FROM PREV QTR	% OF TOTAL COST	CHANGE FROM PREV QTR
DRIVERS	36.2%	35.5%	37.1%	32.2%
DISPATCHING	9.1%	73.6%	5.8%	28.0%
FUEL	8.8%	19.7%	9.3%	31.6%
OIL	0.1%	-5.2%	0.2%	24.8%
REPAIRS	3.4%	8.7%	7.4%	43.2%
INSURANCE	5.0%	6.8%	4.3%	-3.5%
LICENSES	0.3%	-23.1%	0.1%	-40.1%
LEASING EXPENSES (PRO-RATED)	1.3%	64.1%	0.6%	17.0%
TOTAL OPERATING COSTS	64.4%	32.5%	65.4%	29.2%
ADMINISTRATIVE COSTS				
SUPERVISORY LABOR	13.9%	22.5%	14.4%	35.6%
ADV. AND PROMOTION	0.8%	14.2%	1.0%	80.0%
OFFICE EXPENSES	5.6%	20.4%	7.4%	61.9%
MONITORING AND EVALUATION	1.5%	187.6%	1.5%	111.3%
TOTAL ADMINISTRATIVE COSTS	22.0%	26.8%	24.3%	48.0%
CAPITAL COSTS				
VEHICLE PURCHASES	12.2%	1147.1%	7.8%	-30.3%
LEASING EXPENSES (PRO-RATED)	0.2%	-35.2%	1.1%	18.3%
FACILITIES	0.5%	27.6%	0.5%	-4.2%
SPECIAL EQUIPMENT	0.5%	2713.3%	0.5%	-47.3%
TOTAL CAPITAL COSTS	13.5%	661.3%	10.1%	-27.3%
TOTAL ALL COSTS	100.0%	47.5%	100.0%	23.3%
REVENUES				
	% OF TOTAL REV.	CHANGE FROM PREV QTR	% OF TOTAL REV.	CHANGE FROM PREV QTR
REGULAR FARES	35.5%	36.7%	30.0%	47.8%
DISCOUNTED FARES	1.6%	954.3%	1.0%	78.3%
PASSENGER CONTRIBUTIONS	3.8%	76.6%	4.2%	22.0%
PASSES AND MEMBERSHIPS	2.0%	794.5%	6.6%	41.5%
CHARTERS, ADV. AND RENTALS	1.6%	6.8%	1.2%	-35.8%
CONTRACTS	53.0%	25.6%	54.4%	26.8%
DELIVERIES	2.0%	21.5%	1.2%	55.9%
OTHER OPERATIONS	0.2%	219.5%	1.0%	495.9%
TOTAL REVENUES	100.0%	34.4%	100.0%	33.4%
GRANTS				
	% OF TOTAL GRANTS	CHANGE FROM PREV QTR	% OF TOTAL GRANTS	CHANGE FROM PREV QTR
FEDERAL	85.4%	131.5%	81.2%	73.0%
STATE	9.0%	-56.5%	7.2%	-27.6%
LOCAL AND PRIVATE	5.5%	144.7%	11.5%	175.8%
TOTAL GRANTS	100.0%	66.8%	100.0%	63.6%

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM
QUARTERLY REPORT OF COSTS AND REVENUES
JANUARY, 1978 - MARCH, 1978

PEER GROUP: LOW DENSITY- LOW VEHICLES

OPERATING COSTS	PEER GROUP		NATIONAL	
	% OF TOTAL COST	% OF TOTAL CHANGE FROM PREV QTR	% OF TOTAL COST	% OF TOTAL CHANGE FROM PREV QTR
DRIVERS	35.4%	56.4%	37.1%	32.2%
DISPATCHING	4.4%	60.3%	5.8%	28.0%
FUEL	8.9%	72.4%	9.3%	31.6%
OIL	0.1%	38.4%	0.2%	24.8%
REPAIRS	4.6%	84.7%	7.9%	43.2%
INSURANCE	5.0%	-30.6%	4.3%	-3.5%
LICENSES	0.1%	101.8%	0.1%	-40.1%
LEASING EXPENSES (PRO-RATED)	0.2%	50.0%	0.6%	17.0%
TOTAL OPERATING COSTS	59.2%	44.9%	65.4%	29.2%
ADMINISTRATIVE COSTS				
SUPERVISORY LABOR	27.9%	25.8%	14.4%	35.6%
ADV. AND PROMOTION	1.4%	109.9%	1.0%	80.0%
OFFICE EXPENSES	5.6%	-9.4%	7.4%	61.9%
MONITORING AND EVALUATION	0.3%	-85.1%	1.5%	117.3%
TOTAL ADMINISTRATIVE COSTS	35.4%	12.2%	24.3%	48.0%
CAPITAL COSTS				
VEHICLE PURCHASES	3.5%	239.0%	7.8%	-30.3%
LEASING EXPENSES (PRO-RATED)	0.0%	-98.8%	1.1%	18.3%
FACILITIES	0.0%	0.0%	0.5%	-4.2%
SPECIAL EQUIPMENT	1.7%	115.5%	0.3%	-47.3%
TOTAL CAPITAL COSTS	5.2%	52.7%	10.1%	-27.3%
TOTAL ALL COSTS	100.0%	31.7%	100.0%	23.3%
REVENUES	PEER GROUP		NATIONAL	
	% OF TOTAL REV.	% OF TOTAL CHANGE FROM PREV QTR	% OF TOTAL REV.	% OF TOTAL CHANGE FROM PREV QTR
REGULAR FARES	27.7%	69.3%	30.0%	47.8%
DISCOUNTED FARES	5.5%	34.9%	1.0%	78.3%
PASSENGERS CONTRIBUTIONS	4.5%	137.5%	4.2%	22.0%
PASSES AND MEMBERSHIPS	5.4%	-25.4%	6.6%	41.5%
CHARTERS, ADV. AND RENTALS	5.3%	-40.6%	1.2%	-35.8%
CONTRACTS	42.5%	312.6%	56.4%	26.8%
DELIVERIES	5.3%	16.5%	1.2%	55.9%
OTHER OPERATIONS	3.3%	940.6%	1.0%	495.9%
TOTAL REVENUES	100.0%	84.8%	100.0%	33.4%
GRANTS	PEER GROUP		NATIONAL	
	% OF TOTAL GRANTS	% OF TOTAL CHANGE FROM PREV QTR	% OF TOTAL GRANTS	% OF TOTAL CHANGE FROM PREV QTR
FEDERAL	84.6%	42.5%	81.2%	73.0%
STATE	2.4%	-----	7.2%	-27.6%
LOCAL AND PRIVATE	12.8%	178.6%	11.5%	175.8%
TOTAL GRANTS	100.0%	56.2%	100.0%	63.6%



DRAFT
Final Report

Research Report No. RR-119

IMPACTS OF RURAL TRANSIT FUNDING

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16. Abstract This document summarizes a study undertaken to assist the Urban Mass Transportation Administration (UMTA) in programming non-urban transit funds available through the National Mass Transportation Act of 1974. The study produced estimates of the amount of transportation provided and probable assistance levels under a variety of possible funding options. Major findings from analyses of existing transit systems include: (1) The supply of rural transportation services will vary significantly according to the type and amount of financial assistance available from UMTA. The requirements for UMTA capital and operating assistance in rural areas will probably total \$480 million from FY1977 through FY1985. Approximately 55 percent of the \$480 million will be devoted to capital assistance. (2) Techniques for expanding vehicle life should be studied; short vehicles lives will place a great administrative burden on the UMTA capital grants program. (3) The lack of authorized UMTA matching assistance for operating deficits of non-urban transit systems discriminates against smaller and poorer counties. (4) Limiting the UMTA match of operating deficits to not more than 50 percent of the \$500 million would not significantly restrict rural transit operations. (5) A flexible rural transit assistance program, dependent on local conditions, should be devised by UMTA.			
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IMPACTS OF RURAL TRANSIT FUNDING OPTIONS:

EXECUTIVE SUMMARY¹

SUMMARY OF FINDINGS

This project was undertaken to assist the Urban Mass Transportation Administration (UMTA) in programming non-urban transit funds available through the National Mass Transportation Act of 1974 in an effective and efficient manner. The study produced estimates of the amount of transportation provided and probable assistance levels under a variety of possible funding options.

Major findings include:

- (1) The demand for rural transportation services will be highly sensitive to the supply of services available.
- (2) The supply of transportation services will vary significantly according to the type and amount of financial assistance available from UMTA. No significant change from current rural transit operations will occur without UMTA assistance, but with this assistance, a six-fold increase in passengers is likely.
- (3) The requirements for UMTA capital and operating assistance in rural areas will probably total \$480 million from FY1977 through FY1985 under the most probable combination of funding options.
- (4) Approximately 55 percent of the \$480 million could be devoted to capital assistance according to current vehicle life expectancies (three to five years in typical rural environments).
- (5) Because of the sensitivity of total costs, administrative costs, and the capital/operating ratio to vehicle life expectancy, techniques for expanding vehicle life should be studied.
- (6) The currently-authorized UMTA matching assistance ratios of 80 percent of capital expenses and nothing for operating deficits

¹Further details concerning this material is available in supporting documents submitted to the Office of Policy Development, Urban Mass Transportation Administration.

discriminates against smaller and poorer counties. Ratios of 80 percent for capital expenses and 50 percent for operating deficits - the same assistance now available to urban areas - would result in 41 percent of UMTA assistance devoted to counties with populations of less than 50,000 persons.

- (7) A limitation that not more than 50 percent of the \$500 million may be spent for matching operating deficits would not significantly restrict rural transit operations, as long as this limitation were averaged over several years instead of strictly applied on a year-to-year basis.
- (8) The number of counties applying for assistance (even if the smaller counties participate in larger multi-county systems) is likely to be high, which, coupled with short lives of equipment, will impose significant administrative burdens on UMTA unless policies on vehicle replacement are adopted which minimize this burden.
- (9) The transportation requirements of rural counties, defined in terms of numbers and types of vehicles as well as operating assistance, differ so markedly depending on local conditions that a flexible program should be devised by UMTA. Attempts to develop standards for transportation in rural areas should emphasize the need for flexibility.
- (10) The most probable scenario would result in approximately 100 million annual one-way passenger trips, subsidy requirements (Federal, State and local governments) of averaging \$217 million per year, and 41 percent of UMTA assistance devoted to counties with populations of less than 50,000 persons.

STUDY OBJECTIVES

The National Mass Transportation Act of 1974 provided up to \$500 million for exclusive use in non-urbanized areas during the six year period from 1975 through 1980. Such non-urbanized areas include cities, towns and rural places with less than 50,000 population. Funds are available from the Urban Mass Transportation Administration (UMTA) for planning and program development activities, demonstration activities, vehicle acquisition, and the capital investments in support of general or special transit services, including those services provided for elderly, handicapped and other transit dependent persons. Legislation is pending in Congress to permit at least half of the \$500 million to provide operating assistance in non-urbanized areas. Growing public interest in UMTA programs is also revealed by an annual doubling of UMTA non-urbanized areas grants during the last three years.

UMTA quickly needs more information to help program the non-urbanized area funds in an effective and efficient manner. This project was undertaken to assist UMTA in assessing:

- the demand for transit in non-urbanized counties throughout the nation, and
- the level of funding that these counties may request for UMTA capital and operating assistance programs.

Specific sub-objectives researched in this study included:

- 1) Development of estimates of the range of annual federal financing necessary to satisfy capital and operating assistance requirements for transportation in non-urbanized areas, under varying conditions of demand, supply, revenues and costs.
- 2) Investigation of the time-phased pattern of federal funding requirements over the next decade; particularly, whether the operating subsidy levels will eventually level off and, if so, at what amount and when.
- 3) Development of estimates of the response of rural transit systems if UMTA grants for operating assistance are: a) not available, b) limited to 50 percent of total funding, or c) allowed for 100 percent of total funding.
- 4) Investigation of how federal assistance requirements to non-urbanized areas are likely to vary among: 2) states, b) communities of various population sizes, and c) built-up places and rural areas.

METHODOLOGY

Because there is no operational experience for a program of rural transit assistance — the Section 147 Rural Public Highway Transportation Demonstration Program, administered by FHWA and UMTA, is the closest model — a series of assumptions concerning key characteristics of demand and supply were necessary. Assumed values, based on actual experience, were given in terms of ranges for characteristics such as

- level of transit service to be provided,
- vehicle utilization ratios,
- costs of equipment, labor, and supplies
- alternative fare policies,
- proportion of rural counties that will apply for assistance,
- financial aid available from Federal, State and local governments, and
- vehicle replacement schedules.

Various combinations of these factors were devised to describe alternative funding options or scenarios. Analysis of all the relevant options was a complex

task, involving more than 1,000 distinct combinations. Through computer-aided simulation modelling, feasible systems were identified and those with the lowest operating deficits were selected.¹

An overview of the simulation model is presented in Figure S-1 which shows the steps involved in conducting the simulation exercises. First, alternative levels of demand for each county type are estimated as a function of 3 alternative service levels for each county. Cost estimates based on service characteristics are provided for each of four regions of the country. The initial deficit of each applying county (costs minus revenues) is then reduced by both the UMTA transit assistance package (capital grants and operating subsidies) and the assumed levels of state and local aid. The three alternative systems are then evaluated in terms of their feasibility and one of these systems is selected for each county on the basis of which of the feasible systems leads to lower operating deficits. Finally, the transportation system selected for each county is contrasted with the existing inventory of vehicles in each county group and decision rules are developed on vehicle replacement schedules.

Out of the many possible combinations of factors influencing funding, six combinations of county application rates, UMTA program assistance, and other governmental aid were chosen as the scenarios for the simulation exercises. These simulations have been classified as optimistic, moderate and pessimistic scenarios regarding the demands they create for UMTA transit assistance funds. These scenarios are displayed in Table S-1.

FINDINGS

Range of Federal Financing

The "optimistic" scenario represents the maximum probable investment in rural transit. It assumes an high level of state, local and other non-UMTA federal aid (levels as high as \$0.50 per bus mile in FY1977) and the participation of 1,004 counties in the program (corresponding to application rates higher than the Section 147 application ranges). It assumes that UMTA pays 80 percent of capital costs and 50 percent of operating deficits. This scenario results in a requirement for UMTA funds of \$724 million during the period FY1977-FY1985, with 51 percent of the funding devoted to capital grant assistance. (See Table S-2).

¹The simulation exercises rely on econometric demand functions for the prediction of transportation demands at the county level and on parametric cost functions for the projections of costs for several regions of the nation. Also, a discriminant analysis model of rural transit system feasibility was developed to ensure that the predictions of transit assistance requirements correspond to the requirements of feasible transportation systems.

INPUTS TO THE SIMULATION MODEL

SUB-MODELS (SUBROUTINES)
TO BE APPLIED

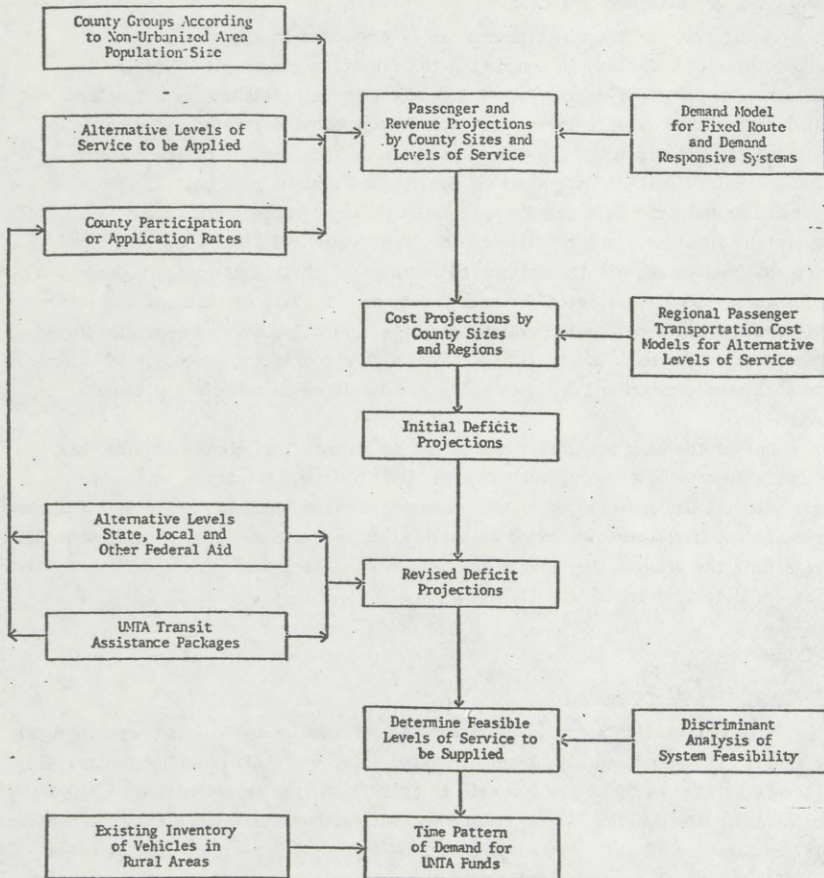


Figure 1: OVERVIEW OF SIMULATION MODEL OF UNTA RURAL TRANSIT ASSISTANCE PACKAGES

Table S-1

SCENARIOS RESULTING FROM COMBINATIONS OF
FACTORS INFLUENCING FUNDING

VALUES OF INFLUENTIAL FACTORS				
Scenario Designation	Percent of Rural Counties in U.S. that apply for UMTA assistance	UMTA Assistance Program		Level of State, Local and Other Federal (Non-UMTA) Aid (subsidy per vehicle mile)
		80% Capital Grant Assistance	50% Operating Assistance	
Optimistic	High (32%)	Yes	Yes	High (\$0.50)
Moderate A	Medium (26%)	Yes	Yes	Medium (\$0.20)
Moderate B	Medium (26%)	Yes	No assistance at all	High (\$0.50)
Pessimistic A	Low (16%)	Yes	Yes	Low (\$0.10)
Pessimistic B	Low (16%)	Yes	No assistance at all	Medium (\$0.20)
Pessimistic C	Low (16%)	Yes	No assistance at all	Low (\$0.10)

Table S-2
TOTAL PROJECTED UMTA TRANSIT EXPENDITURES,
FY1977-FY1985

Alternative Scenarios	FY1977-FY1985 UMTA Rural Transit Assistance Requirements (Millions of Current Dollars)		
	Capital Grant Assistance	Operating Assistance	Total
Optimistic	366	358	724
Moderate A	264	216	480
Moderate B	288	0	288
Pessimistic A	75	71	146
Pessimistic B	75	0	75
Pessimistic C	38	0	38

The "moderate" scenarios include medium participation rates which correspond to the experience of the application rates in the Section 147 Demonstration program. Under this scenario, nearly 805 rural counties will participate in the program.

The "Moderate A" scenario assumes capital and operating assistance from UMTA and a medium level of other governmental funding. In our view, this is the most probable of the six scenarios. It results in total UMTA funding requirements of \$480 million during the period FY1977-1985. Fifty-five percent of the funds will be devoted to capital expenditures. The "Moderate B" scenario assumes capital assistance but no operating assistance from UMTA, with a high level of non-UMTA governmental funding. UMTA funding requirements would total \$288 million during the study period, none of which would be used to match operating deficits.

The pessimistic scenarios are characterized by a low proportion of counties applying for assistance (50 percent less than the rate of applications to the Section 147 demonstration program). The "Pessimistic A" scenario assumes capital and operating assistance from UMTA and a low level of non-UMTA governmental funding. The "Pessimistic B" and "Pessimistic C" scenarios assume only capital assistance from UMTA, with medium and low levels of non-UMTA governmental funding, respectively. The range of UMTA funding in the three pessimistic scenarios ranges from \$146 million to \$38 million during FY1977-FY1985.

Part of the explanation for the dominance of the capital assistance requirements lies in the rapid replacement assumed in the simulation exercises. By enabling the transit agencies to replace small buses every 5 years and para-transit vehicles every three years as is the current experience (versus a normal replacement schedule of 12 years for large city buses), the replacement demand in these simulations grows rapidly, accounting for nearly half of the capital assistance requirements during the period. This is a subject which deserves more attention on the part of policy makers; namely, the fact that the replacement demand may be excessive due to the very rapid turnover characteristic of the vehicle replacement cycle assumed.

On the basis of the above evidence, the statement can be made that a limitation on 50 percent of UMTA funds for operating assistance will not result in any considerable impairment of the growth of rural transportation, as long as

this limitation is applied for the overall funding period FY1977-FY1985. However, if such a limitation is applied on a year by year basis, it will impair the ability of the systems to operate since the decisions to buy equipment are discrete decisions which dominate the funding requirements in the year when the acquisition occurs. (The life-cycle cost analysis performed for this project spans several vehicle life times for vehicles typically used in rural transit operations.) In addition, substantial system to system variability suggests that UMTA might consider applying a restriction such as the 50 percent limitation on a program-wide rather than system-specific basis.

The Demand for Funding Over Time

The time pattern of demand for UMTA rural transit assistance requirements is shown in Table S-3. In general, there is an increasing demand for UMTA funds through time, with no levelling-off after a few years. This is due to substantial inflationary pressures on operating costs, particularly on fuel and wages. The operating assistance requirements will grow through time at annual rates which vary from 6 to 10 percent depending on the scenario analyzed. There will be no levelling-off in transit assistance requirements through time since the cost inflation that is already occurring will cancel whatever other effects (for example, scale economies in vehicle production or transit operations) that may tend to produce a levelling-off in demand.

Table S-3 also portrays the effect of not providing operating assistance, which depresses the demand for capital assistance. The lack of operating assistance most severely affects smaller counties whose share of operating assistance is often double their share of capital assistance. However, the lack of operating assistance makes it necessary for even the larger rural systems operating in counties larger than 40,000 persons to curtail their operations. This contraction of rural transportation operations eventually results in a decreased demand for vehicles and thus for capital assistance. This is shown (for example) by the reduction in capital assistance from pessimistic scenario A to C.

Table S-3
PROJECTED UMTA RURAL TRANSIT EXPENDITURES OVERTIME

Scenario	Time Period	FY1977-FY1985 UMTA Rural Transit Assistance Requirements (Millions of Current Dollars)		
		Capital Grant Assistance	Operating Assistance	Total
Optimistic	FY1977	13.9	30.5	44.4
	FY1980	45.4	38.9	84.3
	FY1985	64.9	58.6	123.5
	FY77-FY85	366.0	358.2	724.2
Moderate A	FY1977	9.4	20.5	29.9
	FY1980	36.8	23.9	60.7
	FY1985	44.1	33.2	77.3
	FY77-FY85	264.4	215.6	480.0
Moderate B	FY1977	10.9	None	10.9
	FY1980	37.0		37.0
	FY1985	47.6		47.6
	FY77-FY85	287.5		287.5
Pessimistic A	FY1977	2.3	6.8	9.1
	FY1980	10.5	8.0	18.5
	FY1985	9.5	11.0	20.5
	FY77-FY85	74.6	71.3	145.9
Pessimistic B	FY1977	2.3	None	2.3
	FY1980	7.6		7.6
	FY1985	8.9		8.9
	FY77-FY85	74.6		74.6
Pessimistic C	FY1977	2.0	None	2.0
	FY1980	4.6		4.6
	FY1985	6.3		6.3
	FY77-FY85	37.7		37.7

The Demand for Transportation Services Over Time

Table S-4 presents the activity results which correspond to the scenarios described in Table S-1. The number of vehicles in the fleet presented in Table S-4 apply only to those UMTA supported vehicles which are still providing service as part of the rural transit fleet. It is not the total number of vehicles bought within the period, since it excludes those vehicles replaced and eventually sold to other organizations.

Table S-4 also presents an estimate of the state and local aid requirement under each scenario. These requirements were projected assuming that state, local and other federal aid would grow at the same rate as the consumer price index during the study period.

The rural passengers generated by each scenario also appear in Table S-4. Under the most optimistic scenario the ratio of passengers to bus miles is close to 0.8, while this ratio descends to 0.35 in the pessimistic scenario. (In urban areas, this ratio can be as high as 3.0, which is a reflection of higher densities and larger vehicles.) The behavior of this important ratio is in accordance with the rural transportation experience and itself vouches for the credibility of the simulation runs.

The differential effects of inflation from 1977 to 1985 were calculated for each of the major cost elements. The major inflationary forces are fuel and wages (including fringe benefits). Costs due to inflation will not be balanced by the growth of fares or state/local aid or even by population growth. These forces have the effect of decreasing the efficient size of the larger transit systems, which is why the number of UMTA-supported vehicles in system fleets will decrease if systems continue to minimize their total deficits.¹ A decrease in passengers and vehicle miles from 1977 to 1985 follows this decrease in number of vehicles. Without UMTA assistance, the decline in service provided would be much more severe.

¹If systems do not attempt to minimize deficits, but maintain a constant fleet size instead, this will substantially increase the demands for funding.

Table S-4
SUMMARY OF ACTIVITY RESULTS OF SELECTED SCENARIOS

Scenario Designations	Percent of rural U.S. that Apply for UMTA Assistance	Level of State, Local and Other Federal (Non-UMTA) Aid	UMTA Assistance Program		Year	Transportation Activity Results			State, Local and Other Federal Aid Requirements (Millions of Current Dollars)		
			80% Capital Grant Assistance	50% Operating Assistance		One-Way Passengers (millions)	Vehicle Miles (millions)	No. of UMTA Supported Vehicles in Fleet	State Govts	Local Govts	Other Non-UMTA Federal Aid
Optimistic	High (32%)	High (\$0.50)	Yes	Yes	FY77 FY85	143 150	185 185	7430 7430	\$20.4 32.5	\$31.5 50.2	\$22.2 35.4
Moderate B	Medium (26%)	High (\$0.50)	Yes	No assistance at all	FY77 FY85	115 111	146 131	5870 5280	\$16.1 23.0	\$24.9 35.5	\$17.6 25.0
Moderate A	Medium (26%)	Medium (\$0.20)	Yes	Yes	FY77 FY85	106 100	131 113	5280 4600	\$ 3.9 5.4	\$11.7 16.2	\$ 2.6 3.6
Pessimistic B	Low (16%)	Medium (\$0.20)	Yes	No assistance at all	FY77 FY85	29 18	41 30	1665 1220	\$ 1.2 1.4	\$ 3.7 4.3	\$ 0.8 1.0
Pessimistic A	Low (16%)	Low (\$0.10)	Yes	Yes	FY77 FY85	29 18	41 30	1665 1220	\$ 0.4 0.5	\$ 2.0 2.4	\$ 0.4 0.5
Pessimistic C	Low (16%)	Low (\$0.10)	Yes	No assistance at all	FY77 FY85	8 .8	22 .22	880 880	\$ 0.2 0.3	\$ 1.1 1.8	\$ 0.2 0.3

Notes: a) Computed by using the state and local aid contributions presented in Table 30 (Chapter 4). These aid levels are projected at an annual growth rate of six percent to FY1985.

b) "Other federal aid" refers primarily to funds and in-kind services from the Comprehensive Employment and Training Act of 1974 (administered by the Department of Labor), various programs sponsored by the Community Services Administration (formerly OEO), and the Administration on Aging of HEW. It is expected that other sources (such as Title XX of the Social Security Act of 1936, as amended) will also be used, but not to the extent of the first three sources.

Who Will Get the Money?

Table S-5 summarizes the allocation of UMTA transit assistance requirements per county size group. The counties with population above 50,000 receive in all cases the majority of the funds, ranging from 44.6 percent of all funds in the most optimistic scenario to as high as 61.8 percent in the most pessimistic scenario.

As shown in Table S-5 the effect of allowing no operating assistance funding is to shift the funds to the larger counties which have a greater ability to support transit operations. The same is true of the sensitivity of the county allocations to the level of state and local aid. A reduction in the level of state and local aid shifts the allocation of UMTA funds in favor of the larger counties, since the smaller counties are then forced to curtail their operations in response to the reduction in aid levels.

Focusing on the allocation of the operating assistance funds, it was found that the counties with more than 50,000 population receive 35 percent of the operating assistance funds in the optimistic scenario, 44 percent in the moderate and close to 50 percent in the pessimistic scenario. Thus, a curtailment in local and state aid tends to concentrate the operating assistance on the larger counties. However, in contrast to the capital grant program, the operating assistance funding is more targeted on the smaller communities.

CONCLUSION: MAJOR INFLUENCES

The total demand for financial assistance from UMTA from rural communities for the purpose of supporting transit operations is highly sensitive to a number of factors that have been discussed above. Several of these factors are worthy of further comment.

The type of assistance available from UMTA significantly affects the amount of transportation that will be provided and who will get the transportation services. The National Mass Transportation Act of 1974 does not now allow any portion of the \$500 million set aside for non-urbanized areas to be used for matching operating deficits, although up to 50 percent of urban area funds may be used for such a match. If this restriction continues, it will

Table S-5
RELATIVE ASSIGNMENT OF UMTA TRANSIT ASSISTANCE FUNDS
ACCORDING TO COUNTY SIZE — FY1977-FY1985

Scenario Characteristics	SCENARIO DESIGNATIONS					
	Optimistic	Moderate		Pessimistic		
County Application Rate	High	Medium	Medium	Low	Low	Low
UMTA Assistance						
• Capital Grant Assistance: 80%	Yes	Yes	Yes	Yes	Yes	Yes
• Operating Assistance: 50%	Yes	Yes	No	Yes	No	No
Level of State, Local and Other Federal Aid	High	Medium	High	Low	Medium	Low
County Size Groups (By Population)	PERCENTAGE ALLOCATION OF UMTA TRANSIT ASSISTANCE FUNDS — FY1977-FY1985					
Less than 2,500	0.1	0.0	0.0	0.0	0.0	0.0
2,500 - 9,999	5.7	7.2	3.9	7.5	5.4	10.7
10,000 - 24,999	23.9	11.7	12.8	13.1	7.9	15.7
25,000 - 39,999	16.9	19.5	18.7	8.3	3.4	6.9
40,000 - 49,999	8.8	9.4	8.7	7.8	6.7	4.9
50,000 - 99,999	28.4	29.8	27.6	43.6	47.7	17.6
100,000 and over	16.2	22.4	28.3	19.7	28.9	44.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
Total UMTA Transit Assistance (in millions)	\$724	\$480	\$287	\$146	\$75	\$38

significantly curtail amount of transportation provided and will tend to shift funding toward the larger communities.

The second point deserving further emphasis is the sensitivity of the cost conclusions to vehicle life expectancy. The life cycle costing performed under this project covered several vehicle lives during the study period of FY1977-FY1985. In addition to the costs that could be calculated directly, there are significantly large indirect costs that we could not estimate. The most significant of these is the administrative burden — on UMTA and on transit operators as well — involved in capital grant applications. Because of the length of time and the amount of work involved in preparing and processing grant applications, all parties in the process would be better off if such applications were not often necessary. However, given the current vehicle life expectancy of three to five years for those vehicles typically used in rural transit operations, the administrative burden will be large. Thus, UMTA and other Federal agencies could create substantial administrative savings and some capital cost savings by insisting on better product standards. A Federal role is necessary in this instance because of the inability of the purchasers of the vehicles — local transit organizations — to have an impact on manufacturing decisions and standards.

Mr. HOWARD. The gentleman from Illinois, Mr. Fary, has been unavoidably detained in Chicago. However, he does have a statement pertaining to the hearings and, without objection, the statement of Mr. Fary will be made a part of the record at this point. [Statement referred to follows:]

STATEMENT OF CONGRESSMAN JOHN G. FARY

Mr. Chairman, distinguished colleagues, the city of Chicago and the surrounding metropolitan area is served by one of the oldest and most efficient mass transit systems in the nation. The Chicago Transit Authority (CTA), together with the other elements of the Regional Transit Authority, (RTA), annually provides almost 750,000,000 trips to Chicago area commuters. The benefits reaped by the metropolitan area in terms of reduced traffic congestion and pollution, as well as savings resulting from efficient energy use, have played major roles in maintaining Chicago as a vibrant economic center long after many other major cities have succumbed to the forces of age.

Mr. Chairman, I have heard recently from representatives of the RTA and other planning groups in Chicago and they have asked me to look into UMTA's budget request for fiscal year 1980. Having read it, I am concerned that the programs Chicago has counted on to stave off urban decay, maybe under funded at the national level and, consequently, that Chicago transit groups may find that funds they had hoped to use in maintaining and improving commuter service may not become available.

The Regional Transportation Authority has requested funding of \$250 million for capital investment. I have been advised that UMTA has approved \$154 million to that; approximately \$100 million less than what is needed. Eighty percent (80 percent) of the \$250 million request was to maintain the existing system—a system which has suffered tremendously in increasingly rough winters. This past winter, even with widely publicized equipment failures and schedule difficulties, ridership was up by twelve to twenty-five percent. If our winters continue to worsen, as they are expected to, Chicago's commuter rail system could, along with other commuter lines, succumb to weather and age at the very time when mass transit programs are needed to shore up America's energy picture.

The transit systems in the Chicago area draw a larger portion of their funding from the fairbox than do most other mass transit systems in the country. At a time when federal funds are needed for the continued modernization of the area's rail system, and the needed authority has been granted by this Committee, it is frustrat-

ing to find that this administration has made the program the target of questionable economies.

The history of public investment in the US has been that needs are realized too late. I would ask that UMTA reconsider its decision to cut these programs, so that we do not find ourselves a few years from now paying three or four times the amount that could be invested today to ensure a strong, modern urban mass transit system.

Mr. HOWARD. Mr. McCormack.

Mr. McCORMACK. I have one subject I would like to discuss with you for the record at this time. It has to do with the legitimacy or the reality of proceeding with UMTA programs in any metropolitan area in the absence of a comprehensive transportation plan for the entire metropolitan area to be served. I take it, it would be a matter of policy in the Department of Transportation that any attempt to undertake a program of mass transit would require a comprehensive study in a metropolitan area.

Mr. PAGE. We do require that and we do pay for comprehensive planning for mass transit. We asked metropolitan planning agencies and the transit operators to work together to make these long-range estimates as well as annual estimates. We ask that the whole area show us that it is consistent with overall transportation policy. I may add, Congressman, the proviso is that at a given moment nobody agrees what the optimum is.

Mr. McCORMACK. I have one subject I would like to discuss with you for the record at this time. It has to do with the legitimacy or the reality of proceeding with UMTA programs in any metropolitan area in the absence of a comprehensive transportation plan for the entire metropolitan area to be served. I take it, it would be a matter of policy in the Department of Transportation that any attempt to undertake a program of mass transit would require a comprehensive program for the metropolitan area.

Mr. PAGE. We do require that and we do pay for comprehensive planning for mass transit. We asked metropolitan planning agencies and these transit operators to work together to make these long-range estimates as well as annual estimates so that each project that is submitted to us we ask that the whole area show us that it is consistent with overall transportation policy.

I may add, Congressman, the proviso is that at a given moment nobody agrees what the optimum is.

Mr. McCORMACK. I think you know the problem I am dealing with, which is the question of the proposed third bridge across the Columbia River between Portland, Oreg. and Vancouver, Wash. The State of Oregon is planning a light rail system with emphasis on east-west traffic in the city of Portland, and Multnomah County. I have no problem with this, but I think you and I would agree that most highway engineers as well as most concerned citizens, recognize that there is a serious problem with the north-south traffic and with the engineering to handle that traffic along Interstate I-5. I-5 provides the only efficient north-south corridor between Mexico and Canada. We have a metropolitan area here with a population of 1,122,000¹ which is served by only one artery, I-5, and it will be several years before I-205 comes on line. These are common issues that need to be addressed.

¹ This is 1975 SMSA (plus Columbia County) data.

What seems to be happening, as reflected in a recent Vancouver Columbian newspaper article, is that within the city of Portland and Multnomah County, there is an attempt to totally ignore the problems of the related traffic programs and to simply go for east-west systems, light rail, or some other type, and to continue to allow the north-south problem to exist. Recent statements by staff persons in Multnomah County that the third bridge study is ridiculous and that I-205 should not have been constructed, do not tend to indicate responsible regional planning. However, the Oregon Department of Transportation is engaged in consulting studies of the I-5 corridor from Portland to the interstate bridge. Hopefully, their study will result in some improvements to the corridor for better traffic handling capability.

I think you know that, for instance, on the south side of the interstate bridge 3 hour tieups on a regular week day afternoon are not exceptions, they are virtually routine. Just to get to the bridge from the airport at 5 o'clock on a week day is usually a 3-hour operation. This clearly is an engineering problem and it is the result of traffic feeding into north-south arterials from multiple on-ramps.

The 1978 Surface Transportation Assistance Act authorized the study of a third bridge across the Columbia River. A preliminary traffic analysis has been completed which identifies the three most likely sites. These studies show that a third bridge at any location would be severely restrained by the existing system of roads and streets. Perhaps, the transportation study of the total metropolitan area would address these restraints and offer some solution to the deficiencies of the existing system.

I propose to move forward with authorizing legislation this year.

But there is a substantial consideration to either a third bridge or to the north-south corridor and that relates to its articulation with any east-west system.

I would suggest that it is unrealistic to proceed with this sort of a program without a comprehensive traffic flow study of the entire area that meets the criteria for responsible engineering.

I suggest that there are two essentials. The first is that an attempt be made to clean up the approaches to the bridge in the area immediately south of the river where these east-west corridors will be running. The fact is that on the north side of the bridge coming down through the State of Washington construction is underway to provide six lanes and other improvements through Vancouver to aid traffic in safer and quicker movements.

The bridge itself is also six lanes.

The problem is what happens in the first 2 or 3 miles immediately south of the bridge on the Oregon side. Not only is there resistance, but there is resistance to putting in a third bridge originating within the city of Portland, apparently because they want to put all of their money into UMTA programs and allow the problem to be substantially exacerbated by a dramatic increase in the population and extremely heavy traffic flows.

It seems to me that we should be treating these transportation problems as an entirety and not going ahead with spending money in a metropolitan area in response to one interest group without responding to the overall metropolitan need of the area.

I should like to ask for your response to that proposition.

Mr. PAGE. Congressman, I am familiar a little with the area but not with the background of planning that has been done in the Portland metropolitan area.

The light rail project which may become a formal application to us later this year is the product of several planning entities in the Oregon Department of Transportation, the Portland Tri-Met Planning Agency, the city of Portland. Both FWHA and UMTA have been on a team for alternatives analysis assistance and the environmental impacts for the so-called Banfield corridor. The Banfield corridor involves a light rail system along with highway improvements on that east-west corridor.

I cannot today myself give you an explanation of how all that relates to the north-south traffic problem that you described.

Mr. McCORMACK. I would like to very respectfully suggest that any study made of the Banfield corridor, any environmental impact statement must deal realistically with the entire traffic situation in that area. We are talking about massive continual traffic jams only 2 or 3 miles from the Banfield corridor system which are being totally ignored.

I do not object to putting in this Banfield corridor. But I do object to all of the money available in that area, including interstate highway money which has been transferred, going into the corridor while deliberately ignoring this other traffic problem. It would not be legitimate to do anything until the entire problem is studied in a comprehensive manner.

Mr. PAGE. It has been their decision to transfer the interstate money for purposes that include some road projects as well as the light rail line.

We will ask, Congressman, for an explanation from them as part of our review of these studies and get that to you.

Mr. McCORMACK. Thank you.

I would like to ask that, more than just asking them, it is incumbent upon you to see to it that a comprehensive study is made before they proceed.

Thank you.

Mr. HOWARD. Mr. Livingston.

Mr. LIVINGSTON. I want to extend my sympathy to you. You are dealing with problems of enormous magnitude and one for which I am not sure solutions exist over the broad spectrum.

Using my own district as a microcosm of the entire Nation: We have a shortage of bridges over the Mississippi River; we have shortages of mass trains from rural areas to our urban areas; we now find they are cutting back the Southern Crescent on Amtrak; it is one thing after another. I sympathize with you.

Am I wrong in saying there appears to be an overwhelming need throughout the country and a very severe shortage of money to meet the need?

Mr. PAGE. That is true for our program, Congressman.

Mr. LIVINGSTON. I am not so sure we can change that. All we can do is recognize it and deal with it as best we can. I suppose that means we have to work with you in order to establish a list of priorities.

Could you summarize for me the way you go about setting a list of priorities?

Mr. PAGE. I don't mean to waffle behind a complicated answer, but this year is different because the new legislation has shifted us somewhat from discretionary programs into formula programs. Half of the capital and operating assistance flows out to all urban areas of the country on a formula basis. They decide how to use that money, whether for a bus, for a garage, or to pay for wages and other operating costs. We have to approve what they do and make sure that it is consistent with the purposes of mass transportation. We have a few requests from people that want to do things that we don't think are mass transportation.

In the section 3 capital program, grants are discretionary. But over the course of the last 10 years, at least for a major urban area which has existing rail or major bus systems, we have given them tentative allocations out of the total amount of discretionary money, to give them some idea of a ballpark number that they can shoot for in any given year.

They must go through the planning program and complete the transportation improvement program, which has to be signed off by the transit authority and the metropolitan planning organization. Each project in the TIP has a price tag and a purpose, whether it is engineering or construction. Each project in the TIP has to get an EIS and a 13(C) and several other requirements and most of those TIP's, just like our zero-based budget, have a line somewhere which says, we don't have enough money to fund all the projects.

Mr. LIVINGSTON. Having never been in a position to have to apply for those funds, it sounds very simple but actually I would imagine it is somewhat difficult.

How are you undertaking this process in line with the overall attempts of the administration to cut back on regulatory burden on the American people?

Are you making any overt attempts to cut back on the red tape?

Mr. PAGE. We took several steps a year and a half ago by drastically simplifying the forms and requirements that applicants had to complete for the section 5 operating program. We cut that paperwork about by two-thirds. We went to a postaudit instead of a prevalidation for all of the numbers contained in the application for operating expenses.

We are constantly seeking to improve the environmental impact statement process. That process is required by Federal law and by the CEQ guidelines which we try to follow. We are seeking to develop short, understandable environmental impact statements.

We have moved about 100 staff members and a good deal of authority out of Washington and into the 10 regional offices during the past year. We have decentralized our agency, not to the extent that the Federal Highway Administration is decentralized, but we have taken a major step to put people in authority into the 10 regions where they can act more quickly and can be more responsive to the State and local governments.

We have formed within the last couple of months a special effort on redtape, to challenge every paper requirement that we now impose and see if we can do it more simply.

Mr. LIVINGSTON. Finally, in answer to Mr. Clausen's question, did I understand you correctly to say that you really have not established a certain set of priorities for distribution of funds available to your agency to insure equality throughout the country? Is that correct?

Mr. PAGE. I believe that that discussion concerned section 18.

Mr. LIVINGSTON. Just that one section?

Mr. PAGE. Yes; we were discussing the distribution of funds within States for rural and small urban transportation. For the country as a whole, our budget materials, which we gave to the House Appropriations Subcommittee and which we can provide to you, describe how we divide up section 3 capital programs and what major programs we are funding, that is, new starts, old rails, and bus capital programs.

Mr. LIVINGSTON. Can you provide me that on a geographical breakdown?

Mr. PAGE. Yes—well, I will have someone come and see you. We can give you anything you want. We can give it to you for the past 10 years or for this year.

Mr. LIVINGSTON. Let us say for the last 3 years.

Mr. PAGE. We will do that.

[The following was received for the record:]

Sec 3 Capital Grants By State
 FY 76 (Incl. TQ)-77-78
 (In Millions)

<u>STATE</u>	<u>TOTAL</u>	<u>NEW STARTS</u>	<u>RAIL MOD & EXT.</u>	<u>BUS & OTHER</u>
AL	-	-	-	-
AK	2.1	-	-	2.1
AZ	8.9	-	-	8.9
AR	-	-	-	-
CA	267.8	3.7	57.7	206.4
CO	52.1	-	-	52.1
CT	57.2	-	18.2	39.0
DE	0.5	-	-	0.5
DC	-	-	-	-
FL	103.0	59.2	-	43.8
GA	540.1	529.9	-	10.2
HI	14.1	2.0	-	12.1
ID	0.3	-	-	0.3
IL	391.2	-	310.6	80.6
IN	-	-	-	-
IA	9.8	-	-	9.8
KS	-	-	-	-
KY	17.9	-	-	17.9
LA	27.9	-	-	27.9
ME	0.4	-	-	0.4
MD	310.1	287.2	11.9	11.0
MA	184.9	-	160.9	24.0
MI	70.1	-	1.7	68.4
MN	53.8	-	-	53.8
MS	0.1	-	-	0.1
MO	1.8	-	-	1.8
MT	0.9	-	-	0.9
NE	8.0	-	-	8.0
NV	-	-	-	-
NH	-	-	-	-
NJ	134.1	-	134.1	-
NM	2.3	-	-	2.3
NY	902.4	58.0	701.0	143.4
NC	11.1	-	-	11.1
ND	1.7	-	-	1.7
OH	161.0	-	73.7	87.3
OK	0.5	-	-	.5
OR	24.9	-	-	24.9

<u>STATE</u>	<u>TOTAL</u>	<u>NEW STARTS</u>	<u>RAIL MOD & EXT.</u>	<u>BUS & OTHER</u>
PA	214.1	-	139.8	74.3
RI	4.4	-	-	4.4
SC	0.1	-	-	-
SD	-	-	-	-
TN	15.2	-	-	15.2
TX	78.5	-	-	78.5
UT	0.1	-	-	0.1
VT	1.0	-	-	1.0
VA	4.2	-	-	4.2
WA	67.7	-	-	67.7
WV	69.2	-	-	69.2
WI	37.2	-	-	37.2
WY	-	-	-	-
PR	0.9	-	-	0.9
VI	0.1	-	-	0.1
DC-MD-VA	54.8	-	-	54.8
IL-MO	28.5	-	-	28.5
KS-MO	8.3	-	-	8.3
NJ-NY	-	-	-	-
NJ-PA	15.6	-	15.6	-
TN-VA	-	-	-	-
ADVANCE LAND ACQUISITION LOANS				
MA	-	-	-	-
PA	0.8	-	0.8	-
SECTION 16(b) (2)				
Nationwide	27.6	-	-	27.6
Grand Total	3989.3	940.0	1626.0	1423.3

Mr. HOWARD. Mr. Roberts.

Mr. ROBERTS. I am reluctant to bring up specific cases particularly in a general hearing, but I will only take 1 minute and have one general question.

In section 132 of the Surface Transportation Assistance Act, we directed that a demonstration project be carried out under the provisions of 147 of the 1973 Federal Aid to Highways in the vicinity of Sherman, Dallas, and Dennis, Tex. This is an area where about 30,000 people travel. That means 60,000 a day. The conference report on Public Law 95-599 indicated that if funds and authority were not available under section 147, then it should be carried out under title III of the act.

It is my understanding that DOT provisions were to carry out the demonstration with funding from section 18. Is this true?

Mr. PAGE. I am not acquainted with that specific program.

Mr. ROBERTS. I apologize for that.

Would you advise me on how you would get around that?

Do you consider an authorization the same as a direction or just as something that you circumscribe the limits of what you ought to do and as no obligation to perform what Congress sets out?

Mr. PAGE. We take that guidance seriously.

Mr. ROBERTS. I was sure of that.

Mr. PAGE. We have also taken the posture that section 18 was established for States to fund projects that previously—

Mr. ROBERTS. We did not include the States. The section directs the Secretary of Transportation to do this job. In view of the scarcity of funds in section 18, when would you anticipate such a program being funded?

Mr. PAGE. Congressman, we don't have a special program of discretionary demonstration projects in the section 18 program. What we have is a section—

Mr. ROBERTS. Dallas is hardly a rural area. They are already proceeding with the other end. Dallas is already proceeding with that. It is hardly a rural area.

Mr. PAGE. I know it is not a rural area. Let me give you a report on that.

[The following was received for the record:]

UMTA SUBMISSION FOR THE RECORD

I agree, Dallas is not a rural area. However, Section 147 and Section 18 programs are both for non-urbanized areas. Section 132 of the Surface Transportation Assistance Act of 1978 did direct a demonstration project to be carried out consisting of express and scheduled bus service between the vicinity of Sherman-Denison and Dallas-Ft. Worth. The demonstration was to be part of the Section 147 Rural Highway Public Transportation Demonstration Project. However, all funds appropriated under the Section 147 program were obligated before Section 132 was passed, and no additional funds have been authorized for the Section 147 program. Depending upon the service proposed, scheduled bus service between Sherman-Denison and Dallas-Ft. Worth may be eligible for financial assistance under the Section 18 program. Express bus service between Sherman-Denison and Dallas-Ft. Worth with no intermediate stops to serve rural or nonurbanized residents does not qualify for Section 18 funding. However, Sherman-Denison, being an urbanized area, is eligible for funding under Section 5 of the UMT Act. At least portions of the service would be eligible under this program.

Since both the Section 5 and Section 18 programs are formula apportionments, decisions as to the projects to be undertaken are made by urbanized areas and States. Sherman-Denison could elect to use its Section 5 apportionments for eligible services under this program. The administration of the Section 18 program is

carried out by the states, and the Sherman-Denison area would have to submit an application to the State Department of Highways and Public Transportation, the agency designated by the Governor of Texas to receive and administer Federal funds under the Section 18 program.

Mr. ROBERTS. Thank you, Mr. Chairman. I have no further questions.

Mr. HOWARD. Mr. Lewis.

Mr. LEWIS. I would like to associate myself with the remarks of Mr. Johnson of California and endorse those questions extended to you, Mr. Page, as well as associate myself with Mr. Anderson's questions which have been made a part of the record.

I think those members of the committee from California particularly this year will be focusing with some intensity around the problem that surrounds replacement of buses in Los Angeles.

With that, let me move on to the questions raised by Mr. Clausen of California.

I believe as we move along that those of us who represent rural California are going to want to take a very special look at the way rural programing is developed within our State. We have already discussed the direction of the legislation which would call for equitable distribution of funding for rural programs.

I would hope that early on you would help us evaluate where California appears to be going in that connection.

One form of equitable distribution in the eyes of some may be no distribution at all. If indeed there are people in levels of authority in California who sense that may be the world would be better if the rural areas did not develop at all, then no distribution may be the pattern.

I would like to have you get an early handle on what they intend to do with the application of process, the calendar that might be involved, and I would not want to see us wait for 2 or 3 or 4 fiscal years.

Mr. PAGE. We would be glad to do that. Let me reiterate the Federal Highway Administration has the primary responsibility for administering section 18. But, between the two of us, FHWA and UMTA, we will get you an early estimate of how that program looks in the California area this year. We understand that the State of California has not yet submitted its annual program of projects, which would include its method of distributing the section 18 funds on a fair and equitable basis throughout the State. However, the State has indicated to the FHWA that an informal meeting was held with county officials, handicapped groups, Indians, and so forth to discuss various mechanisms for distributing these funds in a fair and equitable manner. No decisions were made but when a method is designed, the State will publish a formal notice for public comment. We anticipate that the State will submit an application this fiscal year.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. HOWARD. Mr. Chairman?

The CHAIRMAN. I have another series of questions for you, Mr. Chairman, and the Secretary from Congressman Anderson. I ask unanimous consent that the questions to Mr. Page, and Secretary Adams be made a part of the record.

Mr. HOWARD. Without objection, so ordered.

Mr. PAGE. Certainly.

[The following was received for the record:]

UMTA RESPONSES TO QUESTIONS POSED BY MR. ANDERSON

1. Mr. ANDERSON. As I understand it, the Department's transportation appropriation bill last year placed a cap of \$200 million on Section 3 money used to purchase buses. That's correct, is it not?

Mr. PAGE. Yes sir. The fiscal year 1979 Section 3 appropriation was based upon a level of \$200 million for bus and related facilities and equipment procurement grants.

1a. Mr. ANDERSON. So, we have at the most, \$200 million of discretionary Section 3 money available for buses in fiscal year 1979. Let's not get into a discussion of other programs available for bus purchase. Let's stick with the Section 3 program, alright?

Mr. PAGE. As you may know, Mr. Anderson, UMTA is requesting permission of the Appropriation Committees to reprogram \$55 million of the fiscal year 1979 Section 3 appropriation into the bus category, thereby creating a level of \$255 million for fiscal year 1979 Section 3 bus grants should the reprogramming request be approved.

2. Mr. ANDERSON. Are you going to spend \$200 million of Section 3 for bus purchases?

Mr. PAGE. We intend to spend \$200 million for bus and bus related projects, and \$255 million for this purpose should the reprogramming request be approved.

2a. Mr. ANDERSON. Did you initiate the action last year that resulted in the \$200 million cap?

Mr. PAGE. No, sir. We did not.

2b. Mr. ANDERSON. Did you support it?

Mr. PAGE. No, we did not.

2c. Mr. ANDERSON. Would you support a new such cap on this year's appropriation bill?

Mr. PAGE. No, sir, we would not. We believe that language in an appropriation bill which sets a cap on the level of funding for any subcategory of the Section 3 discretionary grant program restricts the ability of UMTA to flexibly implement projects of the greatest benefit in any given year and thereby utilize scarce resources in the most cost-effective manner.

3. Mr. ANDERSON. What factors are you using in determining which Section 3 bus applications will be funded and in what amounts?

Mr. PAGE. UMTA looks at five general elements under the bus program while determining the appropriate allocation of Section 3 resources for bus purposes. They are major commitments, maintenance facilities, replacement/expansion, 16(b)(2), and urban initiatives. Once appropriate funding levels are established for these five elements, UMTA reviews individual bus application requests on a case by case basis. Of course, the applicant is required by law to demonstrate that sums available under the Section 5 bus apportionment factor are already planned for other bus projects and that these sums are inadequate to fund the proposed project. Once this determination is made, each Section 3 bus application is reviewed in the UMTA regional office to determine its own merit and its relative merit vis a vis other requests for Section 3 bus funding in that region.

3a. Mr. ANDERSON. Do you consider other Section 3 assistance for a given area in deciding when to also allocate Section 3 bus replacement to that same area?

Mr. PAGE. UMTA certainly considers all Section 3 assistance flowing to an area when acting on requests for Section 3 bus funding. I believe that a good example of this is UMTA's proposal to the Appropriation Committees for permission to implement a Section 3 funding strategy which would allow the major urban areas to flexibly implement a variety of bus and rail system improvements; against a tentative rail modernization/extension funding mark for that area. We believe that for areas providing mass transportation services of more than one type, it makes more sense for UMTA to establish an overall funding mark for the area and then let it advance projects which are most appropriate for that area. In fact, implementation of this funding strategy will relieve some of the pressure under the Section 3 bus category in order to help meet the bus funding needs of medium and smaller sized areas.

3b. Mr. ANDERSON. For example, a region getting a sizable slice of fixed guideway money—can that region also get a sizable slice of Section 3 bus money? And of course the opposite, if we have a bigger slice of the bus replacement money?

Mr. PAGE. As I mentioned in my previous answer, UMTA is seeking permission to implement a funding strategy which will allow the major areas to advance a variety of bus or rail projects against a tentative funding mark. For other cities, each

project is considered on its merits, within the broad category constraints mentioned earlier. It is possible that in any given fiscal year, a region could receive sizable bus and rail funding if project developments so warrant. However, UMTA attempts to ensure that Section 3 discretionary funds are distributed to an equitable basis to all areas of the country according to need and potential benefit of project implementation.

4. Mr. ANDERSON. If the SCRTD's request cannot be funded—when we know that their's are the nations oldest and most in need of repair, how are we to rationalize that you've done anything more than divide the available funds equally among your regions in order to save yourself from justifying the placement of a significant amount of the total pot of funds in metropolitan Los Angeles?

Mr. PAGE. The statement by Secretary Adams that Section 3 funds are not apportioned but instead are made available on a project-by-project, discretionary basis is entirely correct. I hope you have found my answers to be supportive of this point. We fully recognize the importance of mass transit bus service in the Los Angeles area, and the significant funding requirements needed to continue and improve that service. UMTA will expect Los Angeles to look first to its Section 5 formula apportionments to meet some of this need. The Los Angeles-Long Beach urbanized area can expect to receive at least \$425.6 million in Section 5 funding over the next 4 years (fiscal years 1979-82). Of this amount, \$95.8 million is reserved exclusively for bus and bus related capital projects. In fact, there is no limit on the amount of the \$425.6 million which can be used for bus projects. In addition to this sizable level of funding, UMTA expects to provide Section 3 discretionary resources to the maximum extent possible. For fiscal year 1979, approximately \$11 million in Section 3 funding is currently planned for the Los Angeles area. If the reprogramming request is approved, this will be increased to \$16 million. We expect this level to grow substantially in future years.

Mr. BONER. Can you tell me what amount of money has been allocated under section 3 for the Southeastern part of the Nation?

Mr. PAGE. I will have to provide that information.

[The following was received for the record:]

UMTA SUBMISSION FOR THE RECORD

UMTA does not allocate funds, per se, to individual areas of the country. There are several different criteria that UMTA uses in distributing Section 3 resources among the major Section 3 program categories; those being bus and bus related projects, rail modernization/system extension projects, and fixed guideway new start/DPM projects. The criteria do not take geographical factors by themselves into consideration. Let me briefly explain the method that UMTA uses to make Section 3 resource allocation decisions.

Under the rail modernization/system extension program categories, UMTA is requesting permission of the Appropriation Committees to establish tentative Section 3 funding marks for the major urban areas which have expensive bus and rail transit service. Within these planning marks, each such area could flexibly advance either bus, rail modernization or system extension projects. UMTA's Region IV covers the states of North and South Carolina, Tennessee, Georgia, Florida, Alabama and Mississippi. Under this strategy, this area will receive approximately \$25 million of fiscal year 1979 Section 3 funding for the rail modernization/extension program categories.

We have also made estimates for the new start/DPM categories, which reflect UMTA's current perception as to the most cost effective means of allocating resources to areas implementing fixed guideway new start systems and DPM projects, within the limits suggested in the fiscal year 1979 appropriations report. The Southeastern states in Region IV are currently programed for \$155 million under these categories for fiscal year 1979.

Under the Section 3 bus program, it is not possible to identify at this time any geographical allocations of the \$200 million fiscal year 1979 program level. UMTA utilizes the review of five general elements of the bus program as its decisionmaking criteria for the allocation of Section 3 funding for bus and bus related projects. They are: on-going major bus commitments, maintenance facilities, replacement/expansion projects, 16(b)(2) set-aside, and urban initiatives. Once appropriate funding levels are established for these five elements, UMTA makes project-by-project decisions within these broad bus funding elements to ensure that funds are utilized to implement projects of the greatest benefit and value. The Southeastern area of the country is expected to receive funding under several of these Section 3 bus elements.

Mr. BONER. I have been told, and I am not sure if it is accurate, under section 3 all of the money already has been committed to go to Miami and Atlanta subway systems.

Mr. PAGE. No, although those are big claimants on our program.

Mr. BONER. Also, in this act, have you got provisions—I am especially concerned with Nashville. Do you have provisions in the budget that would provide for our system to be able to purchase new buses?

Mr. PAGE. We have in section 5, Congressman, funds appropriated by formula for all major cities like Nashville which are primarily bus cities. Mr. Taylor tells me that he thinks we do have an application pending from Nashville and we may have some section 3 funds planned for Nashville for this fiscal year.

Mr. BONER. Would you have someone in your office contact mine?

Mr. PAGE. Yes.

Mr. BONER. Thank you.

I have one other question. Section 307 of the act calls for the development of 10 transportation research centers.

Could you tell me what the status is on implementing these research centers now?

Mr. PAGE. The budget that has been submitted for 1980 is not asking for any funds to implement those research centers now. For this current fiscal year, the appropriations bill was enacted before the authorization bill.

In my discussion with Mr. Howard, I explained that we took the view that we do have a university research program, a small one, in UMTA and we believe that through that means and through our cooperative efforts with the Research and Special Programs Administration of DOT, we are attempting to carry out the purposes of that educational center section. But we have not asked for any money specifically for section 11(b).

Mr. BONER. Let me reiterate the questions I would like for you to answer.

One is the amount of money that has been allocated for the Southeast under section 3.

The other is how much of that money has been allocated for Miami and Atlanta and also, an update on where we are as far as Nashville?

[The following was received for the record:]

UMTA SUBMISSION FOR THE RECORD

For fiscal year 1979, UMTA is programming Section 3 funds under the new starts category for Atlanta and Miami in the amounts of \$25 million and \$130 million, respectively. The funding for Atlanta will initiate an extension to rapid rail system from West End to Art Center. The Miami funding will serve to continue implementation of the 21 mile rapid rail system from Dadeland to Hialeah. Also, we are estimating that \$25 million will be provided to Miami for the purchase of rail cars for its rapid rail system. This will increase the Section 3 level of funding for Miami to \$155 million. In addition, either of these cities may receive Section 3 funding for bus and bus related projects. We are unable at this time to identify whether Atlanta or Miami will receive such assistance and, if so, in what amounts.

Nashville has not submitted a capital assistance request for bus funding during this fiscal year. UMTA has, however, approved a Section 5 operating assistance grant to Nashville in the amount of \$2,273,360 to cover fiscal year 1979 eligible operating expenses. UMTA last approved a Section 3 capital grant for Nashville during the Transition Quarter (September 30, 1976) in the amount of \$1,614,400, for the purchase of 20 Advance Design Buses (ADB's) and related support equipment.

An amendment to this grant in the amount to \$273,116 was approved during fiscal year 1978. We would require that Nashville, like all other areas in the country, first look into the use of available Section 5 formula apportioned funds to accommodate any fiscal year 1979 bus capital requests. For fiscal year 1979, \$732,698 is apportioned to Nashville under the Section 5 bus apportionment factor for this purpose. Nashville could also be eligible for Section 3 bus funding if its Section 5 apportionments are inadequate, but it would have to compete for these limited funds with other areas also advancing justifiable bus projects.

Mr. BONER. Thank you.

Mr. HOWARD. Mr. Mineta.

Mr. MINETA. I apologize for not having been here during the testimony.

I understand my colleague from Pennsylvania raised the question of Transbus and I was wondering what DOT intends to do if there are no U.S. bidders on Transbus, also, what would happen if the transit agency rejected the European manufactured equipment?

Mr. PAGE. We have not crossed that bridge, Congressman, but let me speculate with you, for a minute.

The consortium bid opening is now scheduled for May 2. Flxible has said it will not bid. General Motors has not advised us officially of what they intend to do. There may be one or more foreign bids, or bids developed jointly between a foreign company and an American firm.

If those bids are responsive to the specifications, we obviously would consider them. If there are no responsive bids, then we will have to make a much harder decision about what to do with the Transbus program altogether. Both General Motors and Flxible now manufacture advanced design buses. Both of them provide elevators for wheelchairs on their buses, General Motors at the back door and Flxible at the front door. So one possible result may be simply to require that all new buses have elevator lifts in them and the kneeling feature to continue to make new buses accessible in all cities across the country. This is clearly one possible outcome if there are no responsive bids to the Transbus specification.

Mr. MINETA. What has happened to ridership statistics since UMTA has gone from revenue passengers to counting passengers based on an unlinked kind of transit ridership?

Has that shown an increase in passengers and can we use those statistics to show whether or not transit programs are in fact working?

Mr. PAGE. I am not sure I understand your question.

Mr. MINETA. I understand the statistics on passengers had been kept on the basis of revenue passenger miles but that there has been a recent change in recordkeeping showing each segment of a trip separately, so that a passenger who rides route A and then transfers from route A, to route B, to route C, that same passenger is now counted three times as having ridden route A, route B, and route C.

Mr. PAGE. My information, Congressman, is that annual passengers increased about 5 percent from 1977 to 1978. I think that takes into account the change which you mentioned.

The staff tells me that the change you are alluding to is in the section 15 reporting requirements which have taken effect, but we do not have the first set of comprehensive reports yet from that system.

Mr. MINETA. In the Oversight and Review Subcommittee, we will be examining the transportation fragmentation that exists not only in DOT programs but transportation programs, in other agencies like HEW, Labor, Is DOT, or UMTA, involved in any way in efforts to coordinate these special transportation services, and to integrate them with existing public and private transportation programs?

Mr. PAGE. We agree with your concern, Congressman. We welcome discussions with your subcommittee. Other agencies spend a great deal of money on—

Mr. MINETA. I understand there are 114 programs dealing with transportation.

Mr. PAGE. Either in the form of money to buy buses or the form of per person subsidies for users. We have three ongoing coordination activities. One is through the section 18 rural program where part of the guidance from Federal Highway Administration and ourselves is to ask that the social services transit as well as the public transit under section 18 be coordinated within the State.

The second is a staff effort among DOT, DOL, DOA, and HEW to simply integrate the various programs and see where we can achieve some cooperation and economy.

The third area is still underway but in the forthcoming 504 regulations, we expect that an increased emphasis on coordination will be a major part of the regulations.

Mr. MINETA. Will that deal with the emphasis given in the committee report as it deals with the Surface Transportation Assistance Act and as it relates to rural programs and urban programs?

Mr. PAGE. Yes.

Mr. HOWARD. Mr. Levitas.

Mr. LEVITAS. Do you have any figures for the last fiscal year as to what percentage of the section 5 moneys are used for operating expenses?

Mr. PAGE. Well over 90 percent, Congressman, probably 95 percent.

Mr. LEVITAS. Does that not represent a slight increase from the previous year?

Mr. PAGE. About the same.

Mr. LEVITAS. Are you concerned that local operators are using such a high percentage of these funds for operating expenses?

Mr. PAGE. Yes, we are. For the last couple of years, we have been pressing home on that point because that money is available for both capital and operating expenses. We are trying to encourage the localities to use some of that money for capital purposes.

Mr. LEVITAS. Are you formulating any proposals or suggestions that you might submit to this committee as to dealing with this program because some place down the pike, as budget constraints get more severe, we may be heading for a real problem about the availability of capital funds unless something is done?

Mr. PAGE. We tried a proposal last year in the administration's bill which did not make it into the final act. That proposal called for a one-third limit of Federal aid to operating subsidies. We are also undertaking now under the direction of OMB a special study to be completed by August of the purposes and benefits of the

section 5 program. We will be happy to discuss that with you or your staff or share it with you.

Mr. LEVITAS. I would very much like to see that.

In connection with the question asked by Mr. Boner, I would appreciate it if you would furnish me a copy of the figures you are furnishing him. But I can tell you whatever amount you are providing to Atlanta in section 3 was not nearly enough and they will be back to see you soon.

In that connection, I do not know if you know this, but last Thursday or Friday, the Georgia Legislature extended the amount of sales tax. As you know, that is not only important for Atlanta but I think it demonstrates the substantial public support that mass transit has even in States where you have predominantly rural legislators. If you do not mind my saying, it will serve as an example to say we are not only willing to put a portion in but to go that extra mile. We are not just looking to Uncle Sam.

Mr. PAGE. I am delighted to hear that. Atlanta is a model transit system, especially for its local financing.

Mr. EDGAR. If I provide you with the addresses of Gov. Dick Thornburg of Pennsylvania and the members of the Pennsylvania Legislature, would you mind sending them a note to that effect?

Mr. LEVITAS. I am a very strong believer that it has to be strong local participation.

Let me say one other thing. When that referendum was passed a few years ago, it was passed on the thesis that it would be a 54-mile system. I think the action of the State legislature, extending the sales tax, is a reaffirmation of that commitment, meaning all of the way, not just a portion of that system, and I expect that UMTA will be playing its role in that partnership.

Let me move on to another question as my last one. It was brought out by our chairman in his opening questions, the importance of public transportation, particularly mass transit, in conservation of energy and as oil and gasoline become more and more expensive and scarcer, there is clearly a greater need to emphasize the utilization of public transit.

I would be curious, Mr. Page, to what extent are there formal cooperative efforts and discussions in formulating your policy, DOT policy, with the Department of Energy, to what extent do you sit down with each other, what programs you are going to emphasize, how you are planning your priorities?

I will ask you specifics. I do not want general terms.

Mr. PAGE. I will tell you what I told the Appropriations Committee 2 weeks ago which is I think we are deficient on that score. We do not have the working relationship between UMTA and the Department of Energy that I would like to have.

We have good working relationships with EPA, with EDA, with HUD. We have not gotten to that with Energy, even though it is obviously important. We have some in the R. & D. area. Those relationships are very useful but, let me also suggest that you might want to pose it to the Secretary for the Department as a whole because I think it is a very important subject that all of us need to do more work on.

Mr. LEVITAS. I find that given the situation today and what is going on in Camp David, I was going to say it is incredible that

maybe it is not incredible but it is very disappointing in the energy field between the Department of Energy and some other agencies.

I just completed a series of oversight hearings with my Government Operations Committee. The Treasury has a substantial role in the Energy Conservation Act and we found out that we could not find any one scrap of paper indicating any formal interchange of ideas between DOE and the Treasury Department in coordinating this almost bedrock portion of the energy program through the Treasury Department and it is disturbing to find out that in something like that, where we make our priorities, where we allocate our funds, that it is not being done.

I am, of course, very pleased to hear that you are concerned about it.

Mr. PAGE. Let me mention two things that you should be aware of.

First, a couple of years ago when the discussions of an increased gas tax were current, Chairman Howard pushed for that, along with the Secretary and the President. Those discussions were coordinated in the Cabinet room of the White House with Secretary Schlesinger and Secretary Blumenthal and Secretary Adams so that there could be an administration consensus behind that proposal.

On a much more modest level, we have undertaken to urge all metropolitan areas to prepare energy contingency plans with our planning funds. Through the Federal regional councils in each of the 10 regions we will be having DOT, DOE, and the other appropriate Federal agencies participate in that effort.

Mr. LEVITAS. Let me give you a specific example of what I was just talking about.

If the Energy Department, through its efforts or through those of the Treasury Department through taxes are able to accomplish their objectives, namely, to reduce the consumption of gasoline, that is one of their objectives, x barrels a day, then you have two alternatives. People will walk or go on public transportation. If you are not focusing in your regions and localities where these displaced motorists are going to be getting around, then we are really looking for a tremendous public inconvenience with significant economic repercussions. I think it should become a matter of highest priority for the Department of Transportation and the Department of Energy to begin to sit down and realize that you are not each walking off in your own direction but you are trying to develop a comprehensive, cooperative approach to this.

You can be assured that all Members of Congress, at least the ones I speak to, will be looking to the Department to begin such a cooperative effort.

Mr. HOWARD. The Chair would like to state that the schedule for the afternoon has been set so that at 1 p.m. we would hear from Mr. Page and so that at 2:15 we would hear from Ms. Claybrook and the Secretary at 3:30.

I would like to point out that Ms Claybrook did arrive at 2:15. Having said that the Chairman will recognize other members. Mr. Edgar.

Mr. EDGAR. I will try to be brief.

In following up Mr. Levitas' question, I am concerned about the \$10 million for ridesharing that was not even requested by the Department of Transportation in its budget.

I am also concerned that other energy-saving components of your budget were not requested.

I want to ask a specific question. Are you aware of a major Department of Energy study being done by MIT?

Mr. PAGE. I am aware of it, but I don't know—I personally have not been briefed on it.

Mr. EDGAR. It is my understanding that much of this have not been coordinated but they are dealing with ridesharing public transit, issues relating to the use of other vehicles like schoolbuses and community buses. They are using alternative plans, et cetera.

It seems to me that your Department should request of the Department of Energy some knowledge of the proposed perspectus and perhaps find out what Federal funds are being used on that study so there could be coordinated study. If we move toward rationing and other conservation measures to save energy, clearly your Department and the Agency should play a major role in that.

Mr. PAGE. We do have staff people participating with DOE on that study. We agree with the thrust of your comment. I would add also that I think our view ought to be broader than cars or buses. We ought to be looking at car pools or vanpools. I am not sure if we want to look at schoolbuses for public use. But, we ought to take a broad view of this.

Mr. EDGAR. Let me turn to another question concerning section 321 of the 1978 act. Subsection A of this section request that you provide the Congress with some data on the requests involved in making rail transportation systems accessible to the handicapped.

January 1, 1978, was mandated so we could have this information in time for the 1981 budget process. By the Secretary's own design, the transit program should operate under a rolling 2-year authorization and our next shot at UMTA program is in 1980.

Are you confident that we will have this information in time before the 1981 budget process?

Mr. PAGE. No, I am not, Congressman. We are working on the study. We would certainly appreciate another 3 months to complete that study and get it to the Congress. That would still make it available to you to consider during the calendar year 1980.

Mr. EDGAR. How much money have you allocated for the 321A study?

Mr. PAGE. \$1½ million.

Mr. EDGAR. I understand that your counsel was having some trouble with a phrase in a section which requires you to make grants to operators for the purpose of obtaining this data.

Some operators have asked that as an alternative, one or two national consultants whose service the operators could draw on to perform this work be used. I want to emphasize, as author of this section, that the consultant idea is fine with me and what is of paramount importance is that we get this information to Congress for deliberations next year.

Is that dialog going on among your counsel people?

Ms. AYRES. It has been our intention to involve the operators as the statute says we must. But it is also our intention, partly based

on the request of the operators themselves to involve a consultant to help the operators and to do a great deal of that work. It was our view that that plan was consistent with the statute.

Mr. EDGAR. I hope we can move with deliberate speed because that is a real concern, accessibility to the rail transit system.

One final area of questioning and I will submit several for the record.

Section B of section 321 asks that you consider the technological advances in making transit use to handicaps. Only after the technological problems are considered can we get a handle on the cost and only after all of this is done can we get the policy questions and choose a course of action.

I understand the consultant hired to do the work under 321B is competent in policy analysis but I heard this consultant has a lack of knowledge of technology that pertains to light rail or commuter rail accessibility problems.

What kind of analysis are you going to be able to give us under section 321B?

Mr. TAYLOR. We hope to give you complete costs as a part of 321(a) studies that include light rail and commuter rail as well as heavy rail. We are working closely with our Office of Technology Deployment to make sure that their study generates material we can use in the 321(a) study.

I want to point out that some commuter rail and light rail operations use separate rights-of-way and high level platforms and are very much like heavy rail operations. The technology problem exists mainly with those systems which are running at grade and don't have the kinds of facilities you would normally associate with the heavy rail. We expect to get some answers as to how you might technologically solve problems of getting accessibility onto light rail vehicles or commuter rail vehicles.

Mr. EDGAR. Thank you.

Mr. Chairman, if I may have your cooperation for one additional comment.

There have been a lot of rumors, Mr. Page, about your exploring other employment possibilities. I realize you asked not to comment about Washington or New York, but one of the disturbing rumors that is out which I would like to mention here because I think it has important implications is that part of your decision will be influenced by a law which we passed in order to inhibit regulatory lawyers from moving in and out from private to public sector employment.

I think it's unfortunate that some people may be leaving before the July 1 deadline because of this law and the restrictions the law places on the kind of employment that they can accept after that date.

I would hate to think that very good and very capable men and women who are thinking of becoming Administrators of UMTA would not simply consider the position because of this restrictive piece of legislation.

This is not a question per se. It is just a troubling thing that came to my attention over the weekend, and it is something I would like to mention for the record. You may or may not want to respond.

Mr. PAGE. I am glad you brought it up. On a long list of factors that I am considering, pros and cons of various sorts, that is clearly one. That new law, the Ethics in Government Act, takes effect July 1 and I don't mind telling the members of this subcommittee that it has put many officials in the executive branch in a mild state of panic.

The interpretation and the wording in the act are such as to affect far more than just lawyers. The higher you are in the executive branch, the more it constricts you or prevents you from later holding a job in the industry.

The Secretary is much more affected than I am. I am much more affected than my regional directors, because I am the Administrator. But to make it specific, I would interpret the act, and I am not a lawyer, to say that if the Washington Metropolitan Area Transit Authority asked me to be their general manager after July 1, I could accept that job but could not have any dealings with the UMTA for a period of 2 years thereafter. Maybe that is what was intended, but I view that as an unduly restrictive intent which takes away my livelihood for 2 years and maybe the livelihood of a number of people that rank below me in UMTA.

I know men and women who have done conscientious work in UMTA but if they are then recruited for positions in public transportation agencies, they cannot have anything to do with UMTA thereafter.

I appreciate your bringing it up and it is one of the factors concerning me in my consideration especially after Washington Metro approached me.

Mr. EDGAR. I probably voted for it and I think it wasn't well thought out.

Mr. HOWARD. I would agree with the gentleman from Pennsylvania in that I think this ought to be rethought completely. It is the Peter Principle compounded. You are allowed to do anything except what you have proven you are good at.

Mr. PAGE. Let me add to this discussion by saying that it is urgent. It is now the middle of March. There are a number of senior men and women who are extremely worried about it.

Mr. HOWARD. Thank you.

Mr. Page, I want to thank you for your time. In speaking just last week with the Assistant Secretary of Energy about some kind of crash program that might be needed, some drastic cutback in fuel in this country, certainly we do not have mass transit in effect, we would have to look at some solutions, like utilization of school-buses. But the only thing available in a crisis situation to keep our Nation going, according to this Assistant Secretary, is carpools and vanpools, presumably, because the vehicles are there. You have to get many, many more people per vehicle. There was only \$4 million in the 1979 authorization—of course, the appropriations came ahead of time. But the administration has not asked for one cent in a supplemental of any kind.

For fiscal 1980, I believe, there is \$10 million for carpools and vanpools and the administration is not asking for 1 cent for that kind of program.

So, apparently, there is a lot of coordination as to obvious needs as stated by the Department of Energy and the President's budget.

You would agree, I believe, that it is extremely important in the future to improve public transportation in this country?

Mr. PAGE. I would, very much so.

Mr. HOWARD. Would you agree that in previous years we have probably been deficient in the Federal Government in the field of public transportation?

Mr. PAGE. I think we have made big strides particularly in the capital program over the years. Congress has three or four times in the last few years reaffirmed this program.

Mr. HOWARD. It is still half of what requests have been.

Mr. PAGE. We have always had a backlog. This year, I think, it is a good deal higher than previous fiscal years because as the Federal programs have grown so have the local plans and expectations, and they are now in a position to utilize Federal funds more effectively than a few years ago.

Mr. HOWARD. The fiscal 1980 budget requested by the administration would have less in mass transit than in 1979?

Mr. PAGE. It would maintain our budget level.

Mr. HOWARD. But with inflation, it would mean it would do less.

Mr. PAGE. That would probably happen, Mr. Chairman.

Mr. HOWARD. We want to thank you very much for coming and we certainly appreciate your testimony.

I believe we have unanimous consent that any questions submitted to Mr. Page and the responses will be made a part of the record of the proceeding.

[Statement referred to follows:]



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

BOB EDGAR
PENNSYLVANIA

Dear Dick:

Enclosed please find some questions that I am submitting to you in follow-up to my questioning at the Surface Transportation Subcommittee's oversight hearing on March 19.

It would be helpful if you could share the responses with my office in addition to the Committee.

Cordially,

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BOB EDGAR

March 28, 1979

Dr. Richard S. Page, Administrator
Urban Mass Transportation Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

JUN 19

Honorable Bob Edgar
House of Representatives
Washington, D.C. 20515

Dear Mr. Edgar:

In response to your letter which enclosed questions forwarded as a result of the Subcommittee's oversight hearing of March 19, I am enclosing the UMTA answers at this time.

I am also sending the questions and answers to the Committee.

Sincerely,

(Orig. signed by:)

Gary D. Gayton
Deputy Administrator
UMTA

Mr. Edgar. In testimony before this Committee, you have stated that although rail modernization is a priority activity at UMTA, at present the agency can fund no better than half of the "need" ----- meaning half of what local agencies are prepared to apply for and match.

Have you clearly stated this fact to officials in the rail cities? Does correspondence with these cities clearly explain the constraints on the program? Please share with this Committee copies of representative correspondence with New York, Philadelphia, and Chicago where in the cities are informed of their UMTA allocations for the year.

Mr. Page. We have contacted each of the rail cities and informed them verbally in regional office meetings of the funds available within the rail modernization program. We have also discussed with them the probable level of funding in the cities. Although we have no formal correspondence on this matter, we are providing to the Committee copies of remarks made by our regional director in Chicago to officials in that city.

Thank you all for coming, and especially Mayor Bilandic, for taking the time from his busy schedule to be with us. This meeting gives us an all-to-infrequent opportunity to discuss some important transit issues.

In my letter of invitation I stressed the point that new federal legislation signed into law by President Carter, November last, coupled with the Chicago region's known funding requirements, provides an occasion for some constructive dialogue on present and future choices. Frankly, we are confronted with difficult challenges and conversely, dynamic opportunities. Our challenges in dealing with the present levels of transit services are fairly well understood. However, the opportunities available to address issues beyond the status-quo are less clear. I think we all have this gut feeling that our political and institutional mechanisms will be stretched to new limits by virtue of having to learn to live with less. "First instance solutions" of flooding a problem with capital, excessive design, perpetuating duplication, etc. are held under sharpened political microscopes. The days of promoting investments without regard to the effects on broader issues place these investments on the endangered species list. All around us we are faced with funding shortfalls: be it for highways, health care, housing, essential environmental betterments, and, yes, even transit. At lest in transit we have some reason to rejoice.

In the national competition for scarce budget resources, DOT programs fared quite well. Secretary Adams and UMTA Administrator Dick Page were pleased that DOT was one of three federal agencies whose budgets showed no decrease. In fact, ours shows a modest increase. The FY 79 fiscal year program we are currently executing and the FY 80 budget now before the Congress are essentially no growth budgets.

Today I want to accomplish several things: I want to share with you our views on how we see our FY 79 budget assisting this region; tell you what's coming in FY 80; reveal what we estimate to be your fair share through FY 83, our current authorization period; and lastly, discuss the program review criteria we will use in evaluating your capital programming requests. DJ Mitchell will speak to the overall budget issue shortly.

The new Surface Transportation Act makes available to this region for the periods FY 79-83 about \$1.8 B in new financing resources. This includes formula apportioned funds, assumed "fair shares" of discretionary funds, FAUS and Interstate transfer monies. These funds represent your resources to accomplish various transit programs. Obviously not all these funds will be directed to transit betterments; most FAUS and some Interstate Funds are committed to building non-Interstate highways.

UMTA's new legislation steers a clear course toward more formula apportioned monies, in contrast to our traditional discretionary authority. While this reduces certain anxieties over competing for "routine" project funds, it also heightens the need to more carefully consider the use of operating funds for optional capital assistance. There is a strong Federal message to slow the growth of operating deficits.

Let me now spend a few moments discussing our discretionary authority since these funds are always a hot issue. For the period FY 79-83 the new legislation makes available about \$7.4 B in discretionary authority. While this represents new money, it is substantially spoken for. Without the nitty-gritty, let me highlight the demands and show how \$7.4 B quickly turns into a \$7.0 B shortfall. (And yes, Chicago is reflected in these amounts.)

Total Authorized		\$7.4 B
Less: authorized but not appropriated; planning & demo drawdowns; urban initiatives, etc.	\$2.1 B	
		\$5.3 B
Less: "Routine" Rail cities set asides	\$3.5 B	
		\$1.8 B
Less: existing ongoing commitments	\$1.7 B	
		\$.1 B
Less: near term commitments exclusive of Interstate transfers	\$4.2 B	
		(4.1 B)
Less: "ripening" commitments	\$3.1 B	
<u>Remaining Sec. 3 Funds</u>		(7.2 B)

As you can see, our new money is quite invisible. Clearly the national growth of our program has intensified the call upon our discretionary funds to the point where even with new legislation we find ourselves with tough management choices.

Our FY 79 program for the Chicago region shows increased amounts of new funds. We approximate that for all classes of projects (capital and operating assistance), the region should receive about \$14 M more than last year. The increase consists largely of earmarked funds for either capital or operating assistance. Federal assistance available to meet

capital or operating assistance has doubled within the past four years. As you deliberate your financial alternatives you should consider the use of operating funds for capital purposes. We feel strongly about this.

We estimate that FY 79 funds available for solely capital purposes will be about \$125 M. This year's program, however, reflects changes in the new legislation ground rules: namely, that about \$19 M must be used for bus improvements. And, from this amount, you will need to address the special Urban Initiatives program. This latter area incidentally complements Tom Kapsalis' new domain. We're talking about pedestrian walkways, skywalks, joint development ventures: generally the kinds of things that thread together what we already have. As I said, our challenges are great.

For FY 80, the status-quo prevails. You can expect about the same level of apportioned and discretionary capital funding. In fact, as goes FY 79 and 80, so go the remaining years of our current program authorizations. For the next five fiscal years, through FY 83, the funds available to the Chicago region show a steady but slow growth. More on that soon from DJ Mitchell. So much for the broader view.

Before I shift targets and speak about how we view your programs, let me describe how we intend to evaluate your funding requests. You might call these Federal imperatives but, I suspect, evaluation criteria are the more appropriate description. These criteria generally reflect a pay as you go philosophy and, a no balloon note financing approach.

First priority - finishing multi-year projects currently underway

Second priority - maintaining the present systems

Third priority -- projects designed to meet regulatory requirements
like elderly and handicapped projects and urban
initiatives

Fourth priority - new starts.

We feel especially strong about the first three criteria, given the funding outlooks. Having told you how we intend to review your investments, let me go on to describe the challenges and opportunities as I see them.

Chicago has done and continues to do an outstanding job of managing what resources it has. Without question, the CTA and the RTA through the commuter railroads enjoy their well deserved reputations for high level service. We have no arguments against that record. The restoration and improvement of these respective multi-billion dollar capital plants is a major challenge, however. The importance of public transit to the general economic health of this region and specifically to the vitality of the central area is well established. The CTA rapid transit and bus service binds a broad constituency whose continued support is reflective

of how well our total supply functions. The importance of being able to address the "nuts and bolts" investments (like garages, buses, shelters, communications systems, safety, accessibility improvements, to name a few) cannot be overstated. Their importance may be equal to or greater than big projects that buy little or no new service. I'm often reminded by George Krambles' statement that \$75-100 M per year is needed to simply stand still, a statement forcefully driven home by the unfortunate events of the past few weeks.

The RTA is confronted with equally complex issues. On the one hand it is charged to restore and improve the critical central city to suburb function and deliver outlying county services where, more often than not, none exist. And, it must be the source for everyone's financial support. Clearly the RTA is a political necessity for now and hereafter. Like the CTA, its rail capital improvements must focus on bettering what already exist. Certainly, if in the next ten years we see a repeat of what happened, for example, in the past ten years on the BN and Milwaukee corridors, clearly we will have serious track and equipment capacity problems. Compounding the commuter rail success is the very real problem of distributing commuters throughout the central area from the three terminal locations. Perhaps the urban initiatives program I spoke of earlier provides some special opportunities to solve these localized distribution problems. The attractiveness of covered walkways, skywalks, malls, direct station connections, etc., are very much part of cost-effective techniques to solve essentially short-trip problems. Let's focus more directly on planning, and programming, of Federal funds.

I submit that we must deliberately pause and give ourselves a complete institutional physical if the required broad-based regional support is to be maintained. I think that we have to stop kidding ourselves about being able to do all that our agendas show.

Using your estimates, derived from CTA and RTA multi-year capital programs, CUTD estimates and City estimates for the O'Hare project, we identify an approximate shortfall of \$370 M over the life of our current authorizations. And, this does not embrace a high priority list of known but uncosted projects like the Southwest Corridor, commuter rail expansions, commuter rail station rehabs, system winterization, etc. Furthermore, we believe there exists a substantial shortfall for the Franklin Street project. (And this does not reflect the Monroe Street project which must be viewed in conjunction with Franklin. A conservative estimate for both is \$1.5 B. Subway construction could be pricing itself out of business.)

Let me conclude with some comments on how I suggest we proceed from here. We have provided you with our budget and investment review criteria. In turn, we ask you to carefully weigh your program objectives against our criteria. We think that the RTA, as the regional agency charged by statute to orchestrate investment programs, needs to be the point agency in conducting an extensive program review of current investment plans.

Please do not interpret this to mean that the RTA must be the sole project applicant. That's an issue for you folks to sort out. It does suggest, however, that we will be placing special emphasis on the RTA's role in reviewing and endorsing annual programs and major projects.

* Principal Transportation Officials:

Arthur M. Wirtz - President, Chicago Urban Transportation District
 Irving A. Koppel - Treasurer, Chicago Urban Transportation District
 Hugh Short - Executive Director, Chicago, Urban Transportation District

James McDonough - Chairman, Chicago Transit Authority
 George Krambles - Executive Director, Chicago Transit Authority

Marshall Suloway - Commissioner, Department of Public Works, Chicago
 Thomas Kapsalis - Commissioner, Department of Planning, City and
 Community Development, City of Chicago

Lewis Hill - Chairman, Regional Transportation Authority
 Leo Cusick - Chief Executive Officer, Regional Transportation Authority

John Kramer - Secretary, Illinois Department of Transportation
 Joby Berman - Director, Division of Public Transportation, Illinois
 Department of Transportation

Michael A. Bilandic - Mayor of Chicago

HISTORIC FUNDING LEVELS
BY FEDERAL FISCAL YEAR

<u>Year</u>	<u>Section 3</u>	<u>Section 5</u>	<u>Federal Aid To Urban Systems</u>	<u>Interstate Transfer</u>
1966	\$ 4.0m	-	-	-
1967	46.2m	-	-	-
1968	6.5m	-	-	-
1969	45.4m	-	-	-
1970	1.6m	-	-	-
1971	5.1m	-	-	-
1972	78.9m	-	-	-
1973	74.8m	-	-	-
1974	87.9m	-	-	-
1975	117.5m	-	\$ 1.9m	-
1976+TQ	105.8m	\$ 49.3m	-	-
1977	141.2m	49.5m	4.4m	-
1978	137.1m	48.4m		
TOTAL	\$852.0m	\$147.2m	\$ 6.3m	-0-

Total Federal Transit
Aid through FY 1978

\$1,005.5 million

FY 1978 GRANT APPROVALS
(UMTA Dollars)

Section 5	FY 1978 Operating Assistance	\$ 48.4 million
Section 3	CTA \$ 1.8 million Phase I	
	7.0 million Phase III	
	12.5 million Phase IV	
	<u>27.6 million</u> Rapid Transit Cars	
	Subtotal CTA Section 3	\$ 48.9 million
	RTA \$ 1.4 million Bus radios	
	.2 million Bus/rail	
	1.7 million 3rd Track CUS - Signals	
	22.6 million FY 1977 Commuter rail	
	20.0 million FY 1978 Commuter rail	
	<u>9.8 million</u> FY 1978 Commuter rail	
	Subtotal RTA Section 3	\$ 55.7 million
City of Chicago	\$25.6 million O'Hare Extension	
	<u>6.9 million</u> State Street Mall	
	Subtotal City of Chicago Section 3	<u>\$ 32.5 million</u>
	<u>TOTAL</u>	<u>\$185.5 million</u>

FY 1978 PROGRAMMED IMPROVEMENTS
(UMTA Dollars)

Section 5	FY 1978 Operating Assistance	\$ 49.2 million
Section 3	CTA \$65.6 million Phases I-IV	
	34.9 million Rapid Transit Cars	
	RTA 77.4 million Commuter rail	
	15.3 million Suburban bus	
City	<u>50.9 million</u> O'Hare & Mall	
	Subtotal	\$244.1 million
	<u>TOTAL</u>	<u>\$293.3 million</u>
	Less Approvals	-\$185.5 million
	TOTAL CARRY-OVER INTO FY 1979	<u>\$107.8 million</u>

ESTIMATED FY 1979 UMTA CAPITAL AND OPERATING BUDGET
(UMTA Dollars)

FUNDS AVAILABLE

Section 5	FY 1979 Operating Assistance	\$ 76.0 million
	Amendment to FY 1978 Operating Assistance	0.8 million
	Bus Capital Assistance	\$ 18.9 million
Section 3	Rail Capital Grants	\$105.0 million
Federal Aid to Urban Systems	Bus Capital Assistance	\$.4 million
Interstate Transfer - Franklin Street Subway		<u>\$ 32.0 million</u>
	TOTAL	<u>\$233.1 million</u>

FUNDS PROGRAMMED

Section 5	FY 1979 Operating Assistance	\$ 76.0 million
	Amendment to FY 1978 Operating Assistance	\$ 0.8 million
Section 3	RTA Suburban Bus	\$ 26.8 million
	RTA Commuter Rail	\$ 64.9 million
	CTA Improvements	\$ 77.1 million
	City of Chicago - O'Hare Extension	\$ 75.2 million
Federal Aid to Urban Systems		\$ 0.4 million
Interstate Transfer - Franklin Street Subway		<u>\$ 32.0 million</u>
	Subtotal	\$353.2 million
	Less Available Funds	<u>-233.1 million</u>
	CARRY-OVER INTO FY 1980	<u>\$120.1 million</u>

MAJOR ONGOING CAPITAL PROJECTS

Applications submitted or to be submitted for FY 1979 Funding

O'Hare Extension (submitted)	\$ 75.2 million
CTA Improvements (to be submitted)	33.9 million
CTA Rapid Transit Cars (submitted)	28.0 million
RTA Suburban Acquisition(submitted)	-0- million
RTA Commuter Rail '77 & '78 Programs (submitted)	26.6 million
RTA Commuter Rail Rolling Stock '79 Program (submitted)	33.6 million
RTA Suburban Bus (submitted)	16.0 million
RTA Bus/Rail (submitted)	4.2 million
Subtotal	<u>\$217.5 million</u>
LESS AVAILABLE FUNDS	<u>-105.0 million</u>
CARRY-OVER	<u>\$112.5 million</u>

FEDERAL REQUIREMENTS

Urban Initiatives	\$ 25.0 million
5% of Section 5 for Elderly & Handicapped Improvements	\$ 3.8 million
TOTAL	<u>\$ 28.8 million</u>

FY 1979 PROGRAMMED BUS IMPROVEMENTS

RTA	\$26.8 million
CTA	<u>19.5 million</u>
Subtotal	\$46.3 million
Less Available Funds	<u>-18.9 million</u>
CARRY-OVER	<u>\$27.4 million</u>

AVAILABILITY OF FUNDS

FY 1980 - FY 1983

Section 5 Operating/Capital	\$ 304.0 million
Section 5 Bus Capital	75.6 million
Section 3 Capital	466.0 million
Federal Aid to Urban Systems (including FY 1979)	324.5 million
Interstate Transfer Transit (inflated estimate)	432.0 million
Total Available Funds	<u>\$1,602.1 million</u>

PROGRAMMED IMPROVEMENTS

FY 1980 - FY 1983

RTA/CTA Operating Assistance	\$ 304.0 million
RTA Bus Improvements	70.6 million
RTA Rail Improvements	182.6 million
CTA General Improvements	347.5 million
CTA Rapid Transit Cars (300)	76.0 million
City of Chicago - O'Hare Extension	14.2 million
Carry-over from FY 1979	120.1 million
CUTD Franklin Street	432.0 million
Federal Aid to Urban Systems (including FY 1979)	307.9 million
Urban Initiatives Projects*	100.0 million
Elderly & Handicapped Projects*	15.2 million
Total Programmed Funds	\$1,970.1 million
Less Available Funds	-1,602.1 million
Gross Shortfall in funds (1980-83)	<u>\$ 368.0 million</u>

MAJOR ASSUMPTIONS:

UMTA used project costs supplied in the RTA Five-Year Improvement Program
 O'Hare Extension costs - \$120.0 million (UMTA funds)
 All Section 5 funds are used for operating or bus capital assistance
 The Franklin Street Subway project does not exceed available Interstate
 Transfer funds
 Virtually no FAUS Funds are used for transit improvements
 No further Interstate Transfers

*To the extent that elderly and handicapped and urban initiatives projects
 are accommodated as a part of already programmed improvements, the
 shortfall of \$368.0 million can be reduced.

SUMMARY SHEETSection 3, Section 5, FAUS, Interstate Transfer
(UMTA Dollars)

UMTA Funds Granted to Chicago between 1966 and 1977		\$1,005.5 million
FY 1978 Programmed Improvements		\$293.3 million
FY 1978 Grants Approved		-185.5 million
	CARRY-OVER	<u>\$107.8 million</u>
FY 1979 Programmed Improvements		\$353.2 million
FY 1979 Expected Grants		-233.1 million
	CARRY-OVER	<u>\$120.1 million</u>
FY 1980-83 Program (including 1979 Carry-over)		\$1,970.1 million
FY 1980-83 Expected Grants		<u>\$1,602.1 million</u>
GROSS SHORTFALL		<u>\$ 368.0 million</u>

POTENTIAL ADDITIONAL PROJECT LIABILITIES

1. The need for substantial monies beyond present Interstate transfer funds to complete the Franklin Street Subway Project due to changes in legislation and the impact of inflation;
2. Southwest Corridor Improvements - cost unknown;
3. Saturation of commuter rail network as ridership grows - cost unknown;
4. Pedestrian distribution in the Loop - cost unknown;
5. Union, North Western, and Randolph Street station improvements - cost unknown;
6. Transit winterization program - cost unknown;
7. Rail bridge rehabilitation program - cost unknown;
8. Commuter rail yard consolidation - cost unknown; and
9. Elderly and handicapped accommodations.

Mr. Edgar. What allocations are in store for the three major rail cities in FY 1980?

Mr. Page. As you may know, Mr. Edgar, UMTA is requesting permission of the Appropriations Committees to establish tentative Section 3 allocation marks for the major rail cities on an annual basis. Within these marks, each such area could flexibly plan for and implement bus, routine rail modernization and system extension projects. This funding strategy would be applicable to eight areas, including New York, Chicago and Philadelphia. UMTA has established tentative FY 79 levels for these areas. UMTA will await an appropriation of funding before it establishes levels for FY 80. For your information, the level of Section 3 funding which is currently contemplated for the major rail cities in FY 79 is shown below. These amounts include funds for Urban Initiatives projects as well.

<u>Area</u>	<u>FY 79 Section 3 Estimate</u>
New York	190
N. New Jersey	65
Chicago	105
Philadelphia	105
Boston	48
Cleveland	45
Pittsburgh	33
San Francisco	20
Other	89
	<u>640</u>

*projects in Connecticut and Indiana.

Mr. Edgar. In-house UMTA studies peg the national rail modernization need at about \$14 billion over the next ten years, unadjusted for inflation. The present rail modernization budget, if extrapolated, will provide how much money over this period of time? Adjust for inflation at 7%/year.

Mr. Page. Our FY 1980 and 1981 Section 3 budget estimates were based upon a level of funding for rail modernization projects in the amount of \$450 million and \$485 million, respectively. Using these figures as a base, and adjusting for inflation at 7% per year in the outyears, approximately \$6.3 billion would be provided over a ten year period for rail modernization projects.

Mr. Edgar. How do you assess this gap between the budget and the needs? In view of the constrained budget, what specific requests have been made of the rail cities to catalogue their modernization needs so that meaningful modernization priorities can be established and implemented?

Mr. Page. I believe that the study you referred to in your previous question is the study conducted by UMTA during the summer and fall of 1977 to determine the capital costs of modernizing the Nation's rail rapid, commuter rail and light rail transit systems. As a result of this study, it was estimated that actions required to improve existing rail facilities and rolling stock to a level to provide safe, reliable, comfortable and efficient service at the standards of new systems being constructed today would cost approximately \$17 billion dollars, in 1977 constant dollars. Even though the UMTA budget extrapolated to 10 years results in a gap between the budget and identified needs, we believe that the level of UMTA funding would result in significant rail system improvements. It is beyond the scope of present or potential UMTA funding levels to accommodate all bus and rail requests around the country.

As such, UMTA makes every attempt to ensure that its funding is spent in the most cost-effective manner. UMTA believes that the proposed Section 3 funding strategy for the major rail cities that I discussed in a previous response is one good way to do this. It clearly makes more sense to have local areas catalogue their needs and prioritize projects which will best satisfy their needs. Under a flexible funding policy, the major rail cities could more easily do this. In addition, UMTA maintains continuous ~~on-going~~ efforts to further identify and refine both long and short range national need estimates for all types of projects.

- 5). Mr. Edgar: Recently the Budd Company -- America's only surviving prime contractor for rail cars -- wrote UMTA to suggest changes in the regulations issued by UMTA to implement the "Buy American" provision of P.L. 95-599. Please share with this Subcommittee your response to the Budd letter and the suggestions it makes.

Mr. Page: On December 6, 1978, UMTA published interim regulations implementing the "Buy America" provisions of P.L. 95-599 and requested public comments by February 15, 1979. The Budd Company submitted a thoughtful, 10 page response to the docket on February 13, 1978.

Since Budd Company's letter was received as part of a rulemaking docket, UMTA will not respond directly to Budd. However, Budd's comments and suggested changes, along with all other comments received on the docket, are currently being reviewed. We hope to complete the review shortly and issue changes to the Buy America regulations in June, based on all of the comments received.

QUESTION No. 6

In order to minimize the inflationary impact of project implementation, what steps is UMTA taking to shorten the alternatives analysis process?

ANSWER

UMTA has taken several steps to minimize the time required to complete alternatives analysis so that deserving projects can be implemented more quickly. Delays in past analyses have arisen because analyses were not properly conducted, and analysis deficiencies were often undetected until the analyses were completed.

To avoid a recurrence of these delays, UMTA has:

- 1) Improved its monitoring of the analyses while they are in progress, so that problems are identified and remedies proposed in a timely manner;
- 2) Established a number of formal milestones throughout the course of the analysis, so that analysis procedures and assumptions can be reviewed and approved prior to their use, and applicants can be assured that they are progressing in accordance with UMTA's expectations;
- 3) Commissioned research to identify analysis tools which would be useful to applicants undertaking alternatives analysis. This research is in its concluding stages, and its findings should be available to practitioners by early fall 1979;
- 4) Committed itself to the development of written technical guidance on alternatives analysis. This effort is well underway, and should also be completed by early fall 1979. The guidance will draw upon the accumulated experience of the Department with alternatives analysis and the research mentioned earlier.

In addition to the foregoing management improvements, UMTA has also deliberately formulated the analysis requirement in a manner which permits the analysis documentation to double as an environmental impact statement. Thus the analysis serves two purposes: it is the basis for Departmental evaluations of prospective investments; and it fulfills the environmental assessment requirements of the National Environmental Policy Act (NEPA). While this integrated process has been in place since the UMTA Major Investment Policy was issued in 1976, it is noteworthy here because the decision to integrate requirements sprung from the same concern as the subcommittee's question.

Where metropolitan areas have contemplated prospective transit and highway investments, the differences in FHWA and UMTA project development requirements have been another source of delay. One of the motivations for the pending FHWA-UMTA Major Investment Policy is to eliminate this inconsistency. The policy extends the alternatives analysis requirement to major highway investments, thereby establishing a consistent basis for seeking Federal funding for all major urban transportation projects.

Mr. Edgar. Many experts, while acknowledging the desirability of building new rail transit systems in Atlanta and Washington, contend that new UMTA-funded rail transit systems have been over designed. What steps is UMTA taking to make the best use of its new starts budget by holding down new system costs? Please review your experience with value engineering, construction management, and other techniques to prevent the "gold plating" of new systems.

Mr. Page. UMTA currently is in the process of implementing a new Office of Program Management to specifically address the high cost of building new rail transit systems. A primary function of this new office will be to develop and implement guidelines for the design and engineering of rail systems to eliminate over designing or "gold plating." Currently this office is in the process of developing a peer review process, using engineering and construction specialists from other transit authorities, to review system designs.

This process was used on the Boston Red Line extension last month. Further, we have discussed value engineering with EPA and DOE and intend to make value engineering a part of our procedures. Construction management is being addressed through a proposed policy statement on rail costs, which will place greater emphasis on both design and construction management in the preliminary engineering phases of rail system development.

Questions #8

Mr. EDGAR: Rail transit has the potential to save labor costs, but many rail transit systems are forced to operate under antiquated and outmoded work rules. Is UMTA doing anything to analyze the impact of these manpower policies, especially to guide those who must plan for the operation of new rail systems (where manpower decisions have not been made)?

Mr. PAGE: UMTA is well aware of the existence of certain work rules that are presently in effect in rail transit systems that serve to diminish benefits that are to be gained by community adoption of this mode of transportation. Through our grant process we are assisting Metropolitan Dade County (Florida), in anticipation of construction of a 20.5-mile rail rapid transit system, to assess the projected manpower needs for their Transportation Improvement Program, the largest public works project in the history of the county. The purpose of this Special Manpower Needs Study is to enable the transit authority to plan, develop and implement a Manpower Training Program that will be based upon clearly defined job duties and responsibilities.

An inquiry has also been received from the Maryland Mass Transportation Administration (Baltimore) in regards to the rail system presently under construction there. They, too, are seeking ways in which to appropriately address not only the manpower requirements for the new system, but also to inventory needed skills for new job classifications and work assignments.

Also, in conjunction with introduction of the new Light Rail Vehicle (LRV), the Massachusetts Bay Transit Authority (Boston) negotiated with labor and established a new job classification for the LRV maintenance worker. The net effect of this action was to reduce the number of maintenance workers needed to service the vehicles.

Lastly, UMTA currently is reviewing for possible FY '79 funding a research and demonstration grant application from organized labor that will examine, among other timely labor related issues, work practices--sometimes called work rules--which includes the formal and informal behaviors directly related to performing assignments and any written requirements, instructions, or agreements that affect performance of these assignments.

Mr. Edgar. The City of Philadelphia, UMTA, and the FRA have yet to devise a "division of costs" for construction of the Philadelphia Airport Line along the Northeast Corridor right-of-way in Philadelphia. This disagreement has contributed to considerable delays in construction...delays that have escalated the project cost by \$20 million. Since this disagreement is one between federal agencies, and thus is not the City's fault, the City believes that future UMTA grants to cover the overrun should not be deducted from the area's annual allocation for ongoing programs. Can you assure the Committee that the Airport Line overrun will not be deducted from the annual UMTA allocation that Philadelphia otherwise will receive?

Mr. Page. The City of Philadelphia has been responsible for, but has not yet negotiated an agreement for use of the Northeast Corridor right-of-way by the Philadelphia Airport Line. UMTA is attempting to assist the City by participating in discussions with FRA on cost sharing. However, we do not believe that the absence of an agreement on funding of construction of the Airport Line along this 3/4 mile section of the Northeast Corridor right-of-way between Arsenal and Brill has escalated project cost by \$20 million. In fact, the total cost to the transit project of the construction between these interlockings is expected to range between zero and \$12 million. Thus the costs associated with this segment are not responsible for an escalation in the project costs of \$20 million.

Mr. Edgar. The Northeast Corridor Improvement Project involves re-electrification of track used by several commuter authorities. These commuter authorities will have to convert the electrical systems of equipment that now run on this track. FRA will not assume all of these conversion costs and UMTA funding may be used on the standard 80-20 matching basis. In Philadelphia, the cost approximates \$80 million. Will grants for this purpose be deducted from the annual allocations available to Philadelphia, or will they be made available over and above the annual allocations?

Mr. Page. On September 14, 1977, the Secretary of Transportation delineated policy guidelines for funding vehicle and equipment changes affecting intercity passenger, commuter, and freight services which are necessitated by the Northeast Corridor Improvement Project (NECIP). The Secretary's funding policy provided that NECIP would fund 100% of the cost of equipment conversions necessitated by the alterations of electric traction power. This policy has not changed.

Question 11:

Section 321(b) of P.L. 95-599 asks UMTA to study the technological problems involved in making commuter rail and light rail transit systems usable by handicapped persons. What technical expertise is being applied to these technological issues? What percentage of the 321(b) budget is being allocated to the technical end of the study?

Answer:

UMTA's contractor on the 321(b) light and commuter rail accessibility study, Crain and Associates (Menlo Park, California), has retained a number of nationally known consultants to assist in various aspects of the study. These consultants include:

Carl R. Englund, Jr. - Commuter rail equipment, facilities and operations.

Howard R. Ross Associates - Light rail equipment, facilities and operations.

Booz, Allen and Hamilton, Inc. - Lift technology.

Louis H. Larson, Inc. - Civil and traffic engineering.

Transportation Systems Management Consultants - Transit operations.

Lerch, Bates and Associates - Elevator consulting engineers.

Approximately 70 percent of the project budget is devoted to technical issues.

Mr. HOWARD. I wish to thank you and hope that as we go along several years from now we will be able to call upon you as the UMTA Director.

Our next witness will be Ms. Joan Claybrook, the Administrator of the National Highway Traffic Safety Administration.

I wish to welcome you to the subcommittee. I wish to apologize for the delay in time.

We have a copy of your prepared statement. That will be made a part of the record at this point.

[Statement referred to follows:]

STATEMENT OF JOAN CLAYBROOK, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Mr. Chairman and Members of the Subcommittee; Thank you for inviting me to appear before you today to discuss what the National Highway Traffic Safety Administration has done and plans to do to carry out the "Highway Safety Act of 1978." This new law makes a number of significant changes to the Highway Safety Act of 1966.

Your letter of invitation requested a discussion from three perspectives: the schedule and means of effecting the provisions; the budget requests for fiscal years 1979 and 1980; and the possible need for any technical amendments which we may have identified. My statement contains a brief section-by-section account of the highlights of what we are doing, and our budget requests for fiscal years 1979 and 1980 are attached. We have not found any technical amendments to recommend.

With me today are Dr. Kenneth W. Heathington, Associate Administrator for Traffic Safety Programs, Charles F. Livingston, Deputy Associate Administrator for Traffic Safety Programs, and John G. Womack, Assistant Chief Counsel for General Law.

SECTION 204. NATIONAL DRIVER REGISTER STUDY

Under section 204, the National Driver Register Study, the Secretary is directed, in cooperation with the States, to make a comprehensive study of the need for and means to establish an automated Driver Register to assist the States in electronically exchanging data regarding the driving records of certain problem drivers. The Register helps States exchange information on the status of their licenses, which is particularly beneficial because we do not have a Federal driver's license in this country.

The study plan we have developed includes the following approaches:

1. The current Register operation using mail communications;
2. The current Register operation using on-line electronics communications;
3. The system proposed in H.R. 11733, including rapid-response, on-line capability;
4. Alternative systems; and
5. Elimination of the Register.

Although a final report on this study is not due to Congress until November 6, 1979, we are hoping to get our report to Congress at an earlier date. We will not have substantive comment on the Register's future until that time.

SECTION 205. NATIONAL MAXIMUM SPEED LIMIT

Last year Congress amended the 55 mph law to permit a better assessment of State performance under the program. We all recognize the tremendous benefits in lifesavings and energy conservation that result from compliance with the 55 speed limit. While there have been suggestions in some states to raise speed limits, none have been willing to challenge the law originating in this Committee and compromise their Federal-aid highway funds.

The 55 program has the support of the President, the Congress, and the Cabinet. Secretary Adams has been a forthright advocate of the program from his first day in office, and has told the States he will not hesitate to enforce the law.

The new speed limit provisions came at an opportune time. The recent developments in the Middle East have again focused national attention on the uncertainty of our oil supply. There is no question but that this Committee's action on the 55-mph speed limit last year was far-sighted and will play a pivotal role in the nation's ability to adjust to a reduction in the supply such as that caused by the revolution in Iran.

The Secretary has consistently encouraged the States to have fine and point levels that make the speed limit meaningful. In keeping with this view, we are looking at the steps being pursued by some States that could weaken their speed limit penalties. We have conducted a canvass of State traffic enforcement laws that gives us a good view of the differences among them. We intend shortly to ask those States whose penalties for 55 mph violations are notably weaker than for other types of speed violations to explain the rationale for this discrepancy so that we can assess their conformity with the law.

The new approach in the 1978 statute for measuring compliance with the 55 mph speed limit makes good sense. The statute now makes compliance the principal criterion of a State's success. The statute's compliance levels become progressively more stringent to meet as the percentage of motorists exceeding 55 mph must be reduced from the 70-percent level allowed for by September 1979 to the 30 percent level required by September 1983. We believe that this progression makes sense and that most States will be able through hard work to reach the final goal. According to the States' speed certifications for 1978, only five States—Kansas, Missouri, Texas, Vermont, and Wyoming—need to make further reductions to meet the 1979 compliance level.

The NHTSA and FHWA will continue to support the States' efforts through technical assistance and funding. We have tried to foster good ideas in speed enforcement wherever we encounter them. A good example of this is the CARE program which worked effectively at holiday times in the Mid West and which has now expanded into a nationwide program. Another example is Maryland's so-called "Yellowjacket" program, which works by skillfully publicizing the use of innovative enforcement methods. In New York we are working with the State in an intensive deployment of troopers on limited access highways in an effort to evaluate the effectiveness of "saturation" enforcement.

I know that some members believe our level of financial support should be higher than it is. We have asked for \$40 million in the 1980 budget request, to continue the funding level established for this year. It is our view that this is a level that can be used effectively by the States. It is our goal to make efficient use of all resources, both Federal and State. I am confident that the requested level of funding can and will be put to efficient use.

SECTION 207. HIGHWAY SAFETY PROGRAMS

Section 207 amended the section 402 State and community highway safety programs in four respects:

1. A standard can now be waived on a showing that the State has an alternative program to identify problems, develop countermeasures and evaluate the results.
2. Effective January 1, 1979, the programs are to be administered through "State highway safety agencies" instead of "State agencies";
3. The State programs now have to expressly include programs to encourage safety belt use; and
4. A hard match for the Federal share is required for planning and administration.

The chain of responsibility established for administration of the 402 program (from NHTSA headquarters through our Regional offices, to the State Highway Safety Agency in each State) provides the framework to implement these changes, and we are working with the States to carry them out.

SECTION 208. INNOVATIVE PROJECT GRANTS

A new section 407 was added to the highway safety chapter authorizing the Secretary to make additional highway safety grants to States, their political subdivisions, and non-profit organizations for the development of innovative approaches to highway safety problems. The Secretary is directed to devise criteria and procedures for making and administering the grants and to report annually to Congress on the projects and on each application received for a grant. We are developing the necessary guidelines, procedures, and criteria. Because of the tight budget situation, however, no funding for this new program is proposed for FY 1980.

SECTION 210. MOTORCYCLE HELMET STUDY

The Secretary is directed to make a full and complete study of the effect of the revocation in the Highway Safety Act of 1976 of penalties for States not enacting motorcycle helmet use laws. The report on this study, together with the Secretary's recommendations, is to be submitted to Congress no later than November 6, 1979.

Motorcycle deaths in 1977 were up 24 percent over 1976, and one important element of this increase was a decline in helmet use. Preliminary estimates for 1978 are for approximately 4,500 fatalities, a 9-percent increase over the 1977 total.

In January we released a summary of several motorcycle helmet studies conducted by NHTSA over the past two years on the effects of helmets and helmet use laws on highway safety.

The report draws two major conclusions:

First, motorcycle helmets work. They reduce head injuries significantly without causing neck injuries. In the areas studied (Oklahoma, Kansas, South Dakota, Colorado, and Southern California) motorcyclists involved in crashes who were not wearing helmets were twice as likely to suffer a head injury as those who were. They are three to nine times more likely to suffer a fatal head injury. Most of those being killed and injured on motorcycles every year are male and under 30 years of age. The report also answers the key objections to motorcycle helmets. It finds that helmets do not interfere with a motorcyclist's vision and hearing and that they do not cause neck injuries in an accident.

Second, States with motorcycle helmet use laws have use rates which are extremely high (over 95 percent), while States without laws have much lower rates (50 to 60 percent).

In 1975, when the Federal requirement was in effect that all States enact a motorcycle helmet law on penalty of withholding of Federal funds, 47 States, the District of Columbia, and Puerto Rico had helmet laws. But as a result of the removal by Congress of the penalty for not passing a helmet law, today only 21 States, Puerto Rico, and the District of Columbia still require all cyclists to wear helmets.

The studies we have completed demonstrate that States which repealed their helmet laws experienced dramatic declines in helmet use and disturbing increases in head injury rates. In Colorado, Kansas, South Dakota, and Oklahoma, helmet wearing rates have dropped to below 60 percent since repeal of their helmet laws. Fatal head-injury rates have doubled.

As a result of these findings, we are doing a number of things:

First, I have written letters to all State Governors sending them a copy of this preliminary report. We are urging Governors in States which still have helmet laws to support their retention, and we are urging Governors in States which have repealed their helmet laws to work for their re-enactment.

We are also encouraging all States to collect their own data on helmet use. Michigan and Pennsylvania, for example, have both conducted surveys which show a majority of motorcyclists (55 percent) actually favor mandatory helmet use laws.

Second, I am writing letters to motorcycle manufacturers, insurance companies, and State insurance commissioners to bring the findings of this report to their attention, and to suggest they do what they can to encourage helmet use.

Third, we are notifying the medical community, voluntary safety organizations, and citizen action groups to make them aware of this report and to recommend that they support helmet use laws.

A notice has been sent to the Federal Register for publication to request public comments on the preliminary report. In addition, letters will be sent to motorcycle manufacturers and groups representing motorcycle users, requesting their comments on the study. We are also requesting comments from any interested members of Congress.

SECTION 212. MARIJUANA AND OTHER DRUG REPORT

Section 212 directs the Secretary to make a full report to Congress no later than December 31, 1979, about the progress of efforts to detect and prevent the use of marijuana and other drugs by operators of motor vehicles. In addition to other information, the report is to include recommendations for needed legislation and specific programs aimed at reducing drug use by motor vehicle operators. The study is not to duplicate existing studies and is to be coordinated with other Federal agencies.

We are making progress to carry out the purpose of this section. We already have much of the information required by this report and we are preparing a contract modification which will be useful in preparing the report to Congress.

SECTION 213. SAFETY BELT PROGRAM

Section 213 contains a non-codified requirement which earmarks the expenditure of two percent of each State's 402 apportionment (which totals \$3.4 million) for programs to encourage safety belt use. We have issued memoranda to all of our Regions outlining the types of activities the States should consider for the effective use of the earmarked funds, such as:

- Public information and education to organize public support for safety belt use.

- Child restraint emphasis programs encouraging legislation and parent education.

- Inclusion of safety belt use information in driver education instruction.

- Augmentation of driver licensing procedures to cover advantages of safety belt use.

- Inclusion of safety belt anchorage webbing and buckle inspection in existing periodic motor vehicle inspection programs.

- Instituting required use by drivers and passengers in State owned fleet vehicles.

- Data collection for program effectiveness and evaluation needs.

We also sent our Regions and the States copies of "A Manual for Use By State Legislators and State Offices on Techniques to Increase Safety Belt Use," which provides a framework for a coordinated Statewide Plan within each State's Highway Safety Plan that no doubt will be of great assistance to the States in developing their programs.

In addition, we are conducting 10 Regional Workshops for State and local officials on this manual in order to fully acquaint them with its content and to work with them in designing the most effective safety belt use program. We are also conducting 10 Regional Workshops for grassroots citizen organizations on child restraint programs, and continuing our efforts with Tennessee to implement and evaluate the effectiveness of their child restraint legislation. The unique legislative effort in Tennessee coupled with public information and education have raised the use of child restraints from about 11 percent to about 20 percent in some urban areas in the first 10 months of operation.

We are expanding our public education program regarding safety belt use, and in this regard I know you will be interested in our efforts to work with other national organizations on coordinating safety belt and other occupant restraint educational efforts. We, the National Safety Council, the Motor Vehicle Manufacturers Association, the American Seat Belt Council, the Insurance Associations, the American Medical Association and other important organizations are meeting regularly to share information, to communicate program activities, and to identify materials that can be used by the States. We believe this is the first such national undertaking and we are proud to have been an initiatory part of it.

We will be monitoring and evaluating the programs implemented by the States to ensure that this requirement of the Act is met, and to determine what programs are most effective and provide whatever assistance is available.

SECTION 214. SAFETY BELT STUDY

Section 214 directs the Secretary to arrange with the National Academy of Sciences to "conduct a comprehensive study and investigation of methods of encouraging the use of safety belts by drivers and passengers of motor vehicles, including the use of various types of financial incentives and financial disincentives to encourage safety belt use." The results of this study, together with its recommendations, are to be submitted to Congress no later than November 6, 1979.

The Academy is in the process of putting their proposal for the study in final form. After the formal submission of the proposal and the award of the contract, the Transportation Research Board of the academy will formally appoint a Steering Committee of 12-16 persons drawn from the major organizations interested in and involved in the project. The Steering Committee will then conduct the requisite study and oversee a series of regional hearings during May and June on methods to improve use rates. They will then submit their findings and recommendations to NHTSA by September 1 in order that NHTSA officials and managing personnel of the Academy will be able to comment on the recommendations before the report is submitted to the Congress in November.

SECTION 215. PROHIBITION

Section 215 bans the use of highway safety funds to retrofit State-owned vehicles with passive restraint systems. We have advised our Regional Administrators of this restriction, and have made certain that the direction was passed along to the States.

SECTION 317. RETREAD TIRE MANUFACTURERS EXEMPTION FROM RECORDKEEPING

Section 317 amended the National Traffic and Motor Vehicle Safety Act of 1966 to exempt manufacturers of retreaded tires from the registration requirements of section 158(b) of that Act. An amendment to our regulation on tire identification and recordkeeping has been published as a final rule to implement this Congressional mandate.

This completes my prepared statement. I would be pleased to answer any questions you may have.

4. For each of the contract authority programs listed below, please provide the following information:

(5, - 1- \$ in Thousands)

	<u>State and Community Highway Safety</u> <u>Basic</u> <u>Grants</u>	<u>School Bus</u> <u>Driver Training</u>
A. Amount obligated in FY 1978	\$169,939	-0-
B. Unobligated balance end FY 1978	139,653	-0-
C. Amount authorized FY 1979	173,285	\$2,500
D. Estimated obligations FY 1979	170,285 <u>1/</u>	-0-
E. Estimated unobligated balance end of FY 1979	142,653	2,500
F. Amount authorized FY 1980	172,736	2,467
G. Estimated obligations in FY 1980	172,745 <u>2/</u>	-0-
H. Estimated unobligated balance end of FY 1980	142,644	4,967

1/ Based on obligation limitation of \$172,000

2/ Based on Contract authority of \$175,000.

Note: Dollars in thousands

Mr. HOWARD. Would you please proceed and identify the people with you?

TESTIMONY OF JOAN CLAYBROOK, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, ACCOMPANIED BY DR. KENNETH HEATHINGTON, ASSOCIATE ADMINISTRATOR FOR TRAFFIC SAFETY PROGRAMS; CHARLES LIVINGSTON, DEPUTY ASSOCIATE ADMINISTRATOR FOR TRAFFIC SAFETY PROGRAMS; AND JOHN WOMACK, ASSISTANT CHIEF COUNSEL FOR GENERAL LAW

Ms. CLAYBROOK. Thank you.

We appreciate your invitation to appear here today to comment on the Highway Safety Act of 1978.

With me today are Dr. Kenneth Heathington, Associate Administrator for Traffic Safety Programs, Charles Livingston, Deputy Associate Administrator for Traffic Safety Programs, and John Womack, Assistant Chief Counsel for General Law.

Your letter of invitation requested a discussion from three perspectives: the schedule and means of effecting the provisions; the budget request for fiscal years 1979 and 1980; and the possible need for any technical amendments which we may have identified.

My statement contains a brief section-by-section account of the highlights of what we are doing, and our budget request for fiscal years 1979 and 1980 are attached. We have not found any technical amendments to recommend.

I will briefly discuss each section of the statute and I will try to summarize in some cases since my statement attempts to be rather complete.

SECTION 204. NATIONAL DRIVER REGISTER STUDY

Under Section 204, the National Driver Register Study, the Secretary is directed, in cooperation with the States, to make a comprehensive study of the need for and means to establish an automated Driver Register to assist the States in electronically exchanging data regarding the driving records of certain problem drivers. The Register helps States exchange information on the status of their licenses, which is particularly beneficial because we do not have a Federal driver's license in this country.

Although a final report on this study is not due to Congress until November 6, 1979, we are hoping to get our report to Congress at an earlier date. We will not have substantive comment on the Register's future until that time.

SECTION 205. NATIONAL MAXIMUM SPEED LIMIT

Last year Congress amended the 55-mile-per-hour law to permit a better assessment of State performance under the program. We all recognize the tremendous benefits in lifesavings and energy conservation that result from compliance with the 55 speed limit. While there have been suggestions in some States to raise speed limits, none have been willing to challenge the law originating in this committee and compromise their Federal-aid highway funds.

The 55 program has the support of the President, the Congress, and the Cabinet. Secretary Adams has been a forthright advocate of the program from his first day in office, and has told the States he will not hesitate to enforce the law.

The new speed limit provisions came at an opportune time. The recent developments in the Middle East have again focused national attention on the uncertainty of our oil supply. There is no question but that this committee's action on the 55-mile-per-hour speed limit last year was farsighted and will play a pivotal role in the Nation's ability to adjust to a reduction in the supply such as that caused by the revolution in Iran.

The Secretary has consistently encouraged the States to have fine and point levels that make the speed limit meaningful. In keeping with this view, we are looking at the steps being pursued by some States that could weaken their speed limit penalties. We have conducted a canvass of State traffic enforcement laws that gives us a good view of the differences among them. We intend shortly to ask those States whose penalties for 55-mile-per-hour violations are notably weaker than for other types of speed violations to explain the rationale for this discrepancy so that we can assess their conformity with the law.

The new approach in the 1978 statute for measuring compliance with the 55-mile-per-hour speed limit makes good sense. The stat-

ute now makes compliance the principal criterion of a State's success. The statute's compliance levels become progressively more stringent to meet as the percentage of motorists exceeding 55 miles per hour must be reduced from the 70-percent level allowed for by September 1979 to the 30-percent level required by September 1983. We believe that this progression makes sense and that most States will be able through hard work to reach the final goal. According to the States' speed certifications for 1978, only five States—Kansas, Missouri, Texas, Vermont, and Wyoming—need to make further reductions to meet the 1979 compliance level.

The NHTSA and FHWA will continue to support the States' efforts through technical assistance and funding. We have tried to foster good ideas in speed enforcement wherever we encounter them.

I know that some members believe our level of financial support should be higher than it is. We have asked for \$40 million in the 1980 budget request, to continue the funding level established for this year. It is our view that this is a level that can be used effectively by the States. It is our goal to make efficient use of all resources, both Federal and State. I am confident that the requested level of funding can and will be put to efficient use.

SECTION 207. HIGHWAY SAFETY PROGRAMS

Section 207 amended the section 402 State and community highway safety programs in four respects. We are now providing a framework to implement the changes which the Congress elaborated.

SECTION 208. INNOVATIVE PROJECT GRANTS

The new section 407 was added to the highway safety chapter authorizing the Secretary to make additional highway safety grants to States, their political subdivisions, and non-profit organizations for the development of innovative approaches to highway safety problems. The Secretary is directed to devise criteria and procedures for making and administering the grants and to report annually to Congress on the projects and on each application received for a grant. We are developing the necessary guidelines, procedures, and criteria. Because of the tight budget situation, however, no funding for this new program is proposed for fiscal year 1980.

SECTION 210. MOTORCYCLE HELMET STUDY

The Secretary is directed to make a full and complete study of the effect of the revocation in the Highway Safety Act of 1976 of penalties for States not enacting motorcycle helmet use laws. The report on this study, together with the Secretary's recommendations, is to be submitted to Congress no later than November 6, 1979.

Motorcycle deaths in 1977 were up 24 percent over 1976, and one important element of this increase was a decline in helmet use. Preliminary estimates for 1978 are for approximately 4,500 fatalities, a 9 percent increase over the 1977 total.

In January, we released a summary of several motorcycle helmet studies conducted by NHTSA over the past 2 years on the effects of helmets and helmet use laws on highway safety.

The report draws two major conclusions: First, motorcycle helmets work. They reduce head injuries significantly without causing neck injuries. In the areas studied—Oklahoma, Kansas, South Dakota, Colorado, and southern California—motorcyclists involved in crashes who were not wearing helmets were twice as likely to suffer a head injury as those who were. They are three to nine times more likely to suffer a fatal head injury. Most of those being killed and injured on motorcycles every year are male and under 30 years of age. The report also answers the key objections to motorcycle helmets. It finds that helmets do not interfere with a motorcyclist's vision and hearing and that they do not cause neck injuries in an accident.

Second, States with motorcycle helmet use laws have use rates which are extremely high—over 95 percent—while States without laws have much lower rates—50 to 60 percent.

In 1975, when the Federal requirement was in effect that all States enact a motorcycle helmet law on penalty of withholding of Federal funds, 47 States, the District of Columbia, and Puerto Rico had helmet laws. But as a result of the removal by Congress of the penalty for not passing a helmet law, today only 21 States, Puerto Rico, and the District of Columbia still require all cyclists to wear helmets.

The studies we have completed demonstrate that States which repealed their helmet laws experienced dramatic declines in helmet use and disturbing increases in head injury rates.

SECTION 212. MARIJUANA AND OTHER DRUG REPORT

Section 212 directs the Secretary to make a full report to Congress no later than December 31, 1979, about the progress of efforts to detect and prevent the use of marijuana and other drugs by operators of motor vehicles. In addition to other information, the report is to include recommendations for needed legislation and specific programs aimed at reducing drug use by motor vehicle operators. The study is not to duplicate existing studies and is to be coordinated with other Federal agencies.

We are making progress to carry out the purpose of this section. We will then report to Congress.

SECTION 213. SAFETY BELT PROGRAM

Section 213 contains a noncodified requirement which earmarks the expenditure of 2 percent of each State's 402 apportionment—which totals \$3.4 million—for programs to encourage safety belt use. We have issued memoranda to all of our regions outlining the types of activities the States should consider for the effective use of the earmarked funds.

We also sent our regions and the States copies of "A Manual for Use By State Legislators and State Offices on Techniques to Increase Safety Belt Use," which provides a framework for a coordinated statewide plan within each State's highway safety plan that no doubt will be of great assistance to the States in developing their programs.

In addition, we are conducting 10 regional workshops for State and local officials on this manual in order to fully acquaint them

with its content and to work with them in designing the most effective safety belt use program. We are also conducting 10 regional workshops for grassroots citizen organizations on child restraint programs, and continuing our efforts with Tennessee to implement and evaluate the effectiveness of their child restraint legislation. The unique legislative effort in Tennessee coupled with public information and education have raised the use of child restraints from about 11 percent to about 20 percent in some urban areas in the first 10 months of operation.

We are expanding our public education program regarding safety belt use, and in this regard I know you will be interested in our efforts to work with other national organizations on coordinating safety belt and other occupant restraint educational efforts. We, the National Safety Council, the Motor Vehicle Manufacturers Association, the American Seat Belt Council, the Insurance Associations, the American Medical Association and other important organizations are meeting regularly to share information, to communicate program activities, and to identify materials that can be used by the States. We believe this is the first such national undertaking and we are proud to have been an initiatory part of it.

We will be monitoring and evaluating the programs implemented by the States to insure that this requirement of the act is met, and to determine what programs are most effective and provide whatever assistance is available.

SECTION 214. SAFETY BELT STUDY

Section 214 directs the Secretary to arrange with the National Academy of Sciences to "conduct a comprehensive study and investigation of methods of encouraging the use of safety belts by drivers and passengers of motor vehicles, including the use of various types of financial incentives and financial disincentives to encourage safety belt use."

The results of this study, together with its recommendations, are to be submitted to Congress no later than November 6, 1979.

The Academy is in the process of putting their proposal for the study in final form. We will receive from them a report sometime in September following a series of regional hearings and then have our report to the Congress.

SECTION 215. PROHIBITION

Section 215 bans the use of highway safety funds to retrofit State-owned vehicles with passive restraint systems. We have advised our regional administrators of this restriction, and have made certain that the direction was passed along to the States.

SECTION 317. RETREAD TIRE MANUFACTURERS EXEMPTION FROM RECORDKEEPING

Section 317 amended the National Traffic and Motor Vehicle Safety Act of 1966 to exempt manufacturers of retreaded tires from the registration requirements of section 158(b) of that Act. An amendment to our regulation on tire identification and recordkeep-

ing has been published as a final rule to implement this congressional mandate.

That concludes my statement.

Mr. HOWARD. Thank you very much.

I will just at the moment speak to one or two things.

In this legislation that is authorized for fiscal year 1980, some highway safety R. & D., that was \$50 million, was authorized. The President's budget request is for \$27 million. For the 55-mile-per-hour enforcement, it is authorized at \$50 million. The administration's budget request is zero, nothing. For the 55-mile-per-hour speed limit incentives, there is authorized \$17½ million. The President's budget has requested nothing. For innovative grants for your Department, it was authorized at \$5 million. The administration requested nothing in the budget. You said in your statement that the 55-mile-an-hour program has the support of the President, the Congress, and Secretary Adams. I certainly believe that Congress supports it with the passing of the legislation several years ago and the new provisions for the enforcement procedure.

I believe that your Department and the Secretary support it also. I do have to question whether the President supports it or the Office of Management and Budget supports it because they are not requesting any money for it.

Now, the enforcement program—first of all, the 55-mile-per-hour speed limit is being mildly observed throughout this country. We have seen through the past years dramatic savings of fuel and more dramatic savings of lives and even the average figures for high speed have gone down from 67 miles an hour to 61 miles an hour, and we had in the area of 8,000, 9,000, 10,000 lives per year saved.

In the last year, we had seen an increase in the average speed and we have also seen a comparable increase in the number of deaths where, I believe, it was just reported by your office recently that for the first time since the passing of the 55-mile-per-hour speed limit, the deaths did climb once again over 50,000.

Now, we did pass the enforcement authorization after the appropriation of last year. Therefore, many of us feel that there should be a supplemental appropriation which would include all or part of the \$50 million that was authorized. But the administration requests nothing for enforcement of the 55-mile-per-hour speed limit.

So it is very difficult for us to believe what the administration is saying by what it is doing. The President when asked about the energy problem, aside from safety, but the energy problem, the first thing in two press conferences that I heard was his mention of better enforcement of the 55-mile-per-hour speed limit.

I think it is indeed unfortunate that this has not been done. I do understand that in order to comply with the intention of Congress there is some money that your agency wishes to use for the enforcement program although there may be questions of the legality of it. At least you would like to put some money in the 55-mile-per-hour program.

How much money would that be?

Ms. CLAYBROOK. We have suggested \$40 million.

Mr. HOWARD. This is in fiscal 1979. This has not been appropriated for this purpose; therefore, you are taking that from other

areas of the safety programs. From what areas will you be taking that money to put it into the 55-mile-an-hour enforcement?

Ms. CLAYBROOK. In fiscal 1978 Congress added a rather significant amount of money, almost \$40 million, to the section 402 program. In fiscal 1978 the Secretary asked the States to use that money for the 55 program. We have done the same thing in fiscal 1979.

Essentially what has happened is that the States have not had a real increase in the 402 grant program since before fiscal year 1978, because we took all of the increase that was provided by the Appropriations Committee and put that into the 55-mile-an-hour program, since no money at that time had gone into the 55 program.

I don't know specifically what each State would like to do that it is not able to do with additional funds, but I think it is fair also to say they have not been cut back. This is now the second fiscal year that that money has been allocated to the 55-mile-an-hour program, and that is new money that never existed before fiscal 1978.

Mr. HOWARD. Couldn't one of the programs be alcohol abuse, safety program involvement?

Ms. CLAYBROOK. Yes. There are 14 different areas of consideration authorized under the statute and the States may use their 402 funds to further the standards in each of these areas. Alcohol is one of them.

Mr. HOWARD. And pedestrian safety?

Ms. CLAYBROOK. Yes.

Mr. HOWARD. That would be another?

Ms. CLAYBROOK. Yes.

Mr. HOWARD. Maine, New Hampshire, Rhode Island, the Virgin Islands, the District of Columbia, Florida, Louisiana, American Samoa, Idaho, Oregon, and Washington have used none of the 402 funds obligated for the 55-mile-an-hour speed limit program in fiscal 1978?

Mr. LIVINGSTON. For 1978?

Mr. HOWARD. Yes.

Mr. LIVINGSTON. The latest information we have is that New Hampshire expended \$37,399 of fiscal year 1977 funds in fiscal year 1978 and Louisiana has obligated \$407,277 in fiscal year 1978. The data on the other States are correct.

Mr. HOWARD. So your testimony says "we have asked for \$40 million in the 1980 budget request"; is that for the 55-mile-an-hour program?

Ms. CLAYBROOK. Yes. That is for high-priority programs. We would allocate that to the 55-mile-per-hour program.

Mr. HOWARD. How come I have a zero under the President's budget for the 55-mile-an-hour enforcement and 55-mile-an-hour incentives, which would add up to 67.5? Or do you mean again you're going to ask for, where you have designated \$40 million, out of a lump sum in 402?

Ms. CLAYBROOK. That's right, under the total 402 funds we have allocated \$40 million.

Mr. HOWARD. Do you think there was any necessity for us to bother passing the Surface Transportation Assistance Act of 1978

based on the way the budget seems to be set up, or might you be doing exactly the same thing if we had passed no bill at all?

Ms. CLAYBROOK. In terms of the budget, I don't think we would have had an authorization had you not passed the statute.

Mr. HOWARD. But you don't want the money for it.

Ms. CLAYBROOK. The President has asked all of the Government agencies, Mr. Chairman, to help him balance the budget. Our program is essentially level-funded from the year before.

You could have a line item beside the 55-mile-an-hour speed limit of \$40 million—

Mr. HOWARD. Then there would be no doubt as to where the money is coming from to enforce it?

Ms. CLAYBROOK. That is true. But we have put it all under the 402 program. But we could have just as easily reduced the 402 program to \$129 million and had the \$40 million by the 55-mile-an-hour program as a line item.

Mr. HOWARD. But we wouldn't be sure whether we were hurting pedestrian safety or something else. I mean, you're not asking for that much more money.

Ms. CLAYBROOK. No, we're not asking for any more.

Mr. HOWARD. So that means what money you're going to use for 55 enforcement is coming out of something else.

Ms. CLAYBROOK. The funding for 55 enforcement will come out of the overall 402 funding.

Mr. HOWARD. Thank you.

Now, I would like to say, having gotten that on the record, that as far as the commitment of the administration to assure first of all that there are no overt acts of noncompliance which, of course, would be obvious if a State has a speed limit higher than 55, there could very well be an overt act of noncompliance by means of nonincentives, such as fines or points or things like that, and aside from the enforcement program.

It seems obvious to many people that there are States which are attempting to get around the 55-mile-an-hour speed limit by reducing fines. In some States you can go 95 miles an hour and the most the fine can be is five dollars. There can be no charge of speeding, but only a charge for not observing the State's energy conservation laws, and there can be no points where there are points in those States. This practice does seem to be increasing.

Of course, not being a lawyer, I can understand that other than just raising the speed limit to 65 that there could be a legal argument that they might still "enforce" the 55-mile-an-hour limit, no matter what their law is.

I understand there is a procedure, perhaps a two-step procedure, concerning these States, that you have recommended to the Secretary and that is being implemented now. If you could just tell us, what you are doing about these States that are trying to eliminate the 55-mile-an-hour speed limit totally, by making the penalties for nonobservance so minor?

Ms. CLAYBROOK. The Federal Highway Administration and ourselves—and Mr. Hassell, the Deputy Federal Highway Administrator, is here, if he could sit here at the table, too, because we are doing this jointly. We have taken a look at all the different States and what they have done since enactment in 1974 of the 55-mile-

an-hour speed limit. What we looked at were two items: one is whether or not they have reduced the penalties from what they had before 1974; and the second issue is have they changed the penalty so there is a differential between what the penalty is for exceeding 55, compared to what it is for exceeding some other speed limit.

We have identified a number of States which have done that and have suggested, among ourselves—and I think we'll have the Secretary's endorsement very shortly—that we should send a letter of inquiry to those States who have taken the most extreme steps to reduce their penalties, asking them to show why we should not interpret this action as not complying with the requirements to enforce the 55-mile-an-hour speed limit under section 141 of the statute.

Mr. HOWARD. That's point two, though, isn't it? Don't you first ask them to explain whether they are enforcing—

Ms. CLAYBROOK. Yes, to explain whether or not they are enforcing. And if we believe they are really not, then we ask them to show cause why we shouldn't withhold their Federal-aid highway funds.

Mr. HOWARD. How would they show cause? I mean, is this a court situation, or is this a brief or some kind of statement that they will send back to the Secretary?

Ms. CLAYBROOK. It would be a written submission sent back to the Secretary. And if we believed they did not make a sufficient showing, then we would withhold their Federal-aid highway funds. That is, we would not allow any more project approvals, and they could take us to court to disagree with us, if they wished.

Mr. HOWARD. I think it's reasonable and sensible, and I hope it doesn't involve too great a length of time for those two responses to come back from the States.

Ms. CLAYBROOK. No, it will not be a lengthy period of time. We hope to get this out very shortly. I think it will make it clear to the States that they cannot comply with the intent of the law if they bypass the intent of the law by a subterfuge of undermining their penalties.

Mr. HOWARD. There is a movement around the country to work it in this way, and a lot of leaders in the States are having some difficulty because they are seeing other States, in a sense, get away with it. Therefore, there's a move in their area.

We have seen just in the last few months that rather than worrying about two or three States, now it's 10 or 12. I hope that as soon as this first letter can go out to these States that you're concerned with, that at least that will cause the other States to hold off for a while to see how this is resolved.

Ms. CLAYBROOK. I think that will happen, Mr. Chairman.

Mr. HOWARD. I think this is a good procedure, and I am very happy that it is being done. Thank you.

The gentleman from Pennsylvania, Mr. Shuster.

Mr. SHUSTER. Thank you.

Ms. Claybrook, I was not one of the early enthusiastic supporters of the 55-mile-an-hour law, but from the evidence I have seen over the past several years, I think the evidence is overwhelming in support of it. So I have become a "believer".

In the last few months I have had in my office several representatives from the State legislatures, from the transportation committees, telling me that really the 55-mile-an-hour speed limit doesn't work, that it is not really one of the major causes for the previous reduction in fatalities. Also I have seen articles sponsored by the independent truckers which claim that there is a report floating around somewhere that shows the 55-mile-an-hour speed limit really is not saving lives.

I now don't believe any of those assertions, but I think it behooves us to address those issues. I wonder to what extent you or NHTSA has made any correlations between the State enforcement of the 55-mile-an-hour speed limit and the fatality rates.

Ms. CLAYBROOK. We have looked at State enforcement, the amount of enforcement on the public highways since the enactment of the 55-mile-an-hour speed limit. Some States were not doing very much enforcement at all; some were doing a moderate amount. Enforcement has increased dramatically since then.

Because of the variety of circumstances involved in whether or not someone exceeds the speed limit, it is very difficult to have a direct correlation between pure enforcement—that is, the number of citations issued—and the average speed on those highways.

We have attempted to take a look at it, and there is not an obvious pattern that emerges. We have, however, on the other issue that you raised, taken a look at several articles that have been written suggesting that the 55-mile-an-hour speed limit has not saved lives. We disagree with that and we would be delighted to provide for the record our comments.

We have taken a look, for example, at highways where the speed limit was not 55 prior to 1974, where it was in excess of 55, and have done a comparison of those two. It is very clear to us that that speed limit is saving lives. We estimate that the average speed is down about 5 or 6 miles-an-hour since 1974.

Mr. SHUSTER. I would be very much interested in that kind of evidence, and if you would be good enough to send a copy to my office as well.

Ms. CLAYBROOK. Yes.

Mr. HOWARD. Without objection, it will be made a part of the record.

[The following was received for the record:]

UMTA SUBMISSION FOR THE RECORD

Attached is a set of documents which clearly demonstrate that the 55 mph national maximum speed limit law had major impact in reducing fatalities and fatal crashes since January 1974. These studies consistently document that large changes occurred; the overwhelming conclusion is that reductions of this magnitude must be attributed in large part to the 55 mph speed limit.

STATE IMPACT STUDIES (TEXAS, UTAH, AND ILLINOIS)¹

NHTSA has been analyzing the impact of the 55 mph speed limit at the State level and has found this to be an effective way of deriving a quantitative measure of the 55 mph speed limit impact. This package includes three such State studies, (Texas, Utah, and Illinois) and their estimates of impact. The approach used was to examine fatalities/fatal crashes on roads affected by 55 mph speed before and after imposition of the speed limit and compare it to fatalities/fatal crashes on roads not affected by imposition of the 55 mph speed limit law. The effect of the energy crisis

¹ Retained in subcommittee files.

was also considered. The statistical tables indicate the reductions in fatalities/fatal crashes resulting from the 55 mph speed limit law.

PENNSYLVANIA STATE STUDY ON SAFETY ASPECTS OF NATIONAL 55-MILE-PER-HOUR SPEED LIMIT ¹

The Federal Highway Administration awarded a contract of Penn State University to determine the safety aspects of the national 55 mph speed limit. The results show that fatality rates decreased the most on highways where speed limits changed the most. The rural Interstate System was the most affected highway system in terms of changes to speed limits.

REVIEW OF INFORMATION ON THE SAFETY ASPECTS OF THE 55-MILE-PER-HOUR SPEED LIMIT IN THE UNITED STATES ¹

The National Center for Statistics and Analysis (NCSA) based upon their own analyses and review of other documents referenced in the report conclude that for the three years, 1974-1976, annual traffic fatalities in the U.S. have been on the order of 4,000 to 5,000 per year fewer with the 55 mph speed limit than they might have been with the 1973 speed limits. Although many different approaches were used in the studies, their results on the effect of 55 mph speed limit are fairly consistent.

ESTIMATING THE SAFETY EFFECTS OF THE 55-MILE-PER-HOUR NATIONAL SPEED LIMIT (NCSA) ¹

By analyzing fatality rates for each type of major highway system, this report estimates that approximately 6,000 lives per year have been saved on our nation's highways since the enactment of the 55 mph speed limit.

EXTERNAL ARTICLES AND REPORTS CORROBORATING DOT FINDINGS ¹

In addition to the DOT-sponsored or in-house studies, enclosed are three articles corroborating DOT's findings as reported in the Pennsylvania State University study, which appeared in "Public Roads," a report to the Eightieth General Assembly of the State of Illinois and a similar analysis on the effect of 55 mph in Texas appearing in the "Accident, Analysis and Prevention Journal."

The State impact studies clearly demonstrate the effect of the 55 mph speed limit by comparing the before and after fatalities/fatal crashes on roads affected by the implementation of the law versus those roads unaffected by the law.

Mr. SHUSTER. I would like that very much.

Ms. CLAYBROOK. The enforcement issue also involves a number of matters in the public information program. For example, the State of Maryland is a good example of where the State Police have been enormously innovative; they have highly publicized their program. People know when they exceed the speed limit in Maryland that they are going to get a ticket and that there will be tough enforcement of it. The average speed in Maryland has gone down substantially.

Mr. SHUSTER. I am told, for example, that Wyoming is a State which has been very lax with enforcement——

Ms. CLAYBROOK. That's correct.

Mr. SHUSTER [continuing]. And I also recall that Wyoming has one of the highest fatality rates per hundred million miles traveled of any State.

Ms. CLAYBROOK. That is correct.

Mr. HOWARD. If the gentleman will yield, I believe the year before last it was the highest, and last year I believe it may have been tied with Alaska for the highest fatality rate.

Incidentally, Miss Claybrook, do you know which State has the lowest fatality rate per hundred million miles of travel? [Laughter.]

Mr. SHUSTER. It has got to be New Jersey or you wouldn't have asked. [Laughter.]

¹Retained in subcommittee files.

I think we would all agree that the bottom line is how many people are killed and seriously injured each year.

Ms. CLAYBROOK. I can tell you that in the Western States the death rate is higher than the Eastern States, no question about it.

Mr. SHUSTER. We previously noted that for the first time in several years the fatalities have exceeded 50,000. Would you care to comment on why that is? I am particularly interested—I know it's 50,154 fatalities last year—but I am even more interested in what the fatality rate was per 100 million vehicle miles, because I think that is even more meaningful. I wonder whether that figure has gone up or down.

Ms. CLAYBROOK. It has gone up slightly; I believe in 1977 it was 3.24—

Mr. SHUSTER. I have 3.38 in 1977, and 3.2 in 1976. Those are the figures I have.

Ms. CLAYBROOK. From memory, I was going to say 3.22 in 1976, and 3.24 in 1977, and 3.27 in 1978.

Mr. SHUSTER. The figures are before me—3.2 in 1976, 3.38 in 1977, and I don't have the figures for 1978. That's what I'm searching for.

Ms. CLAYBROOK. I don't believe it was 3.38 in 1977. We have 3.24, in 1977, and then it has gone up 3.27 in 1978.

The rate is going up. Our analysis suggests that the increases are from four primary sources. One is the increased number of crashes of vans and light trucks; they are both increasing in the population and they do not have the same safety standards that are required of automobiles in many areas, such as the collapsible steering assembly, the padded dash, and so on. Second, it comes from the increase in motorcycle deaths. Third, it comes from an increase in large truck accidents. And fourth, from a slight increase in speed traveled on the highway.

That's the best analysis I can give you based on the preliminary data.

Mr. SHUSTER. I am not asking for it now, but do you have figures attached to those four categories?

Ms. CLAYBROOK. Yes, we could supply those for the record.
[The following was received for the record:]

REPORT TO THE ADMINISTRATOR—FATALITY ESTIMATE SUMMARY, 1978—1975-78
COMPARISONS—NATIONAL CENTER FOR STATISTICS AND ANALYSIS, FEBRUARY 1979

The following tables present fatality data for 1975 through 1978. 1975 was the year with the fewest fatalities in recent history. Since that time fatalities have steadily increased. However, only since 1977 have they increased at a faster rate than the number of registered vehicles, miles traveled, drivers licensed or U.S. population (Table 1).

While there has been a composite 12.6 percent increase in fatalities since 1975, considerably higher increases were experienced for occupants of three types of vehicles—motorcycles, pickup/vans and heavy trucks. All had occupant fatality increases over 35 percent (Table 2). Although the magnitude of these increases are in part attributable to increased exposure, the fatalities associated with these vehicles have all increased more in recent years than their associated vehicle miles traveled (Table 3).

Other factors which may have influenced the increase of motorcycle, pickup/van and heavy truck occupant fatalities are increased speeds, decreased helmet usage, increased use of these vehicles for personal travel. In particular, evidence continues to mount that failure to observe the 55 mile mph speed limit is a significant factor. Fatality increases have occurred predominately on highways posted at 55 mph (Table 4) and in the western/southwestern states where failure to observe 55 mph is

believed to be most widespread (see attached map). Since 1975, there has been an increase in fatalities of 5,620; over 3,500 or 63 percent of which have occurred in the West/Southwest, while only 35 percent of the increased travel has occurred there.

TABLE 1.—FATALITY RATES

	1975	1976	1977	1978
Fatalities per 10,000 registered vehicles	3.23	3.17	3.22	3.25
Vehicle miles traveled (100 million)	3.35	3.22	3.24	3.27
Driver licenses in force (10,000)	3.43	3.40	3.47	3.54
U.S. population (10,000)	2.08	2.12	2.21	2.29

TABLE 2.—FATALITIES BY TYPE INVOLVEMENT

	1975	1976	1977	Percent change 1977/1975	Estimates 1978	Percent change 1978/1975
Total motor vehicle traffic fatalities...	44,525	45,523	47,876	7.5	50,145	12.6
Passenger car occupants	26,269	26,647	27,535	4.8	28,120	7.0
Motorcycle occupants	3,189	3,312	4,104	28.7	4,500	41.1
Pickup/vans occupants	4,332	4,893	5,266	21.6	5,950	37.3
Heavy trucks occupants	717	862	962	34.2	1,010	40.9
Pedestrians	7,516	7,427	7,732	2.9	7,920	5.4
Pedalcyclists	1,003	914	922	-8.1	890	-11.3

TABLE 3.—FATALITIES AND VEHICLE MILES TRAVELED PERCENT CHANGE 1975-77

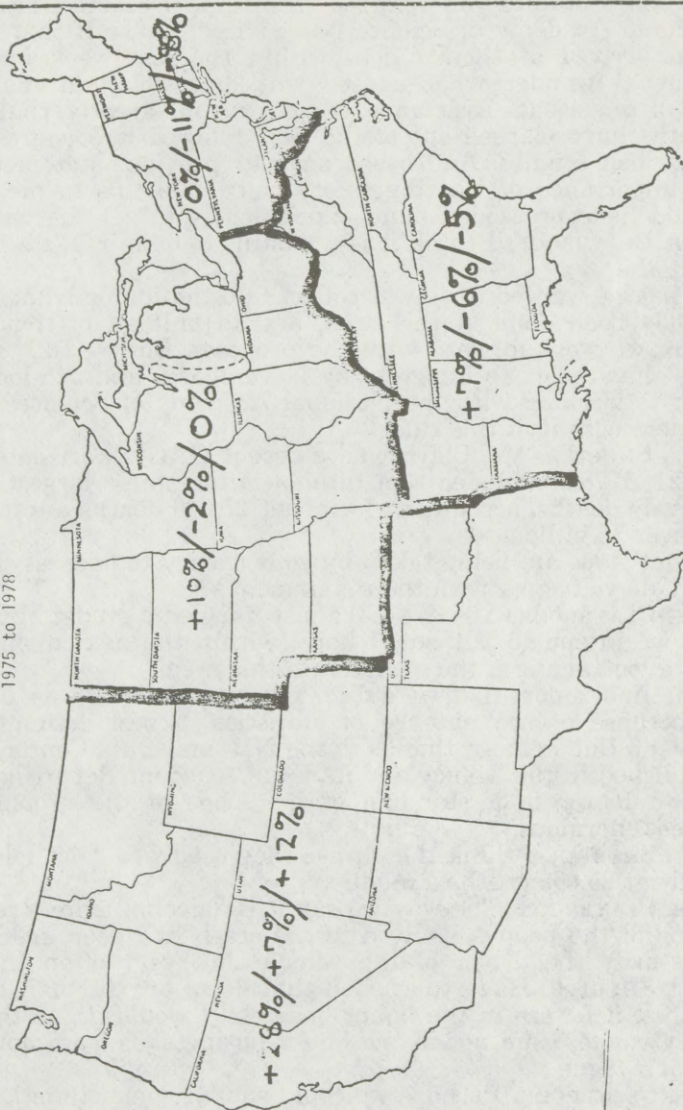
	Percent	
	Fatalities	Vehicle miles traveled
Motorcycles	+28.7	0.9
Single unit trucks (mostly pickup/vans)	+22.8	+21.5
Combination trucks (all heavy trucks except single units)	+32.4	+14.2

TABLE 4.—FATALITIES BY POSTED SPEED LIMIT

	1975	1976	1977	Percent change 1977/1975	1978 ¹	Percent change 1978/1975
Total deaths	44,525	45,523	47,876	7.5	50,145	12.5
Total on 55 mph highways	19,095	19,450	21,621	13.2	23,821	24.7
Total on roads with speed limit under 55 mph	25,425	26,373	26,255	3.3	26,324	3.5

¹ Estimates.

MOTOR VEHICLE TRAFFIC FATALITIES/
FATALITY RATE PER 100 MILLION VEHICLE MILES/
FATALITY RATE PER 10 THOUSAND REGISTERED VEHICLES/
PERCENT CHANGE
1975 to 1978



Mr. SHUSTER. Now, with regard to safety belt usage, in the safety belt usage studies you referred to in 214, a representative of the National Academy of Science has advised our staff that your proposal arrived at their offices within the last week or 10 days.

Now, I wonder what caused this long delay in making this formal request for assistance. It concerns me greatly, that nearly 6 months have elapsed out of the year allowed by Congress for the safety belt studies. And based on your previous statements about the importance of wearing safety belts, it seems to me that you should have proceeded more expeditiously to get the ball rolling.

Ms. CLAYBROOK. I think it is 4 months to be fair. It's a little over 4 months.

What we wanted to do was collect information on what work had already been done in this area, and to pull all of that together before we went forward with the proposal. But we fully intend to have that report to Congress by November 6 and are looking forward to working with the National Academy of Sciences. I see no problem with it at this stage.

Mr. SHUSTER. Ms. Claybrook, a recent GAO report dated February 21, 1979, concluded that alcohol is the single largest factor in highway deaths, accounting for about 25,000 deaths annually, costing over \$5 billion.

What steps are being taken by your agency to address this? First of all, do you agree with their statement?

Ms. CLAYBROOK. Yes. We have just finished a study, Mr. Shuster, that we intend to put out, I hope, within the next month, which took a look again at the statistics in this area.

The first report that we did for Congress in 1968 was, of necessity, because of the absence of statistics, a best estimate of the problem. But we now, thanks to the National Data Center that was established in the agency and its Fatal Accident Reporting System, have a better understanding of the scope of the problem. It is, indeed, enormous.

Mr. SHUSTER. I think the phrase they used was "alcohol accounts for about 25,000 deaths annually."

Ms. CLAYBROOK. The way we say it is "alcohol is involved." That is, one of the people involved in the crash had been drinking, not necessarily the driver of the vehicle, but very often the driver.

Mr. SHUSTER. Have you boiled that down any further, because I suppose, if I were in the liquor business, I would argue that that's pretty vague. I am not in the liquor business, so I am not arguing that it's vague.

Ms. CLAYBROOK. Perhaps we could submit some statistics. I don't have any with me at the moment, but we would be delighted to break that down further.

Mr. SHUSTER. For example, if we could say so many thousands of those drivers killed were found to have an alcohol blood level content of whatever it is that says you're drunk, that would be enormously significant. But to simply say alcohol was involved, where maybe the fellow in the back seat who was sleeping had a couple of drinks—

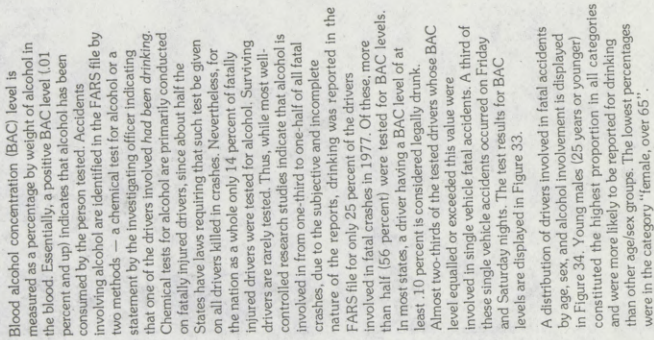
Ms. CLAYBROOK. If I could interrupt, Mr. Chairman, Mr. Hassell would like to depart. Are there any questions on the 55-mile-an-hour program that you would like to address to the two of us jointly?

[The following were received for the record:]

A. Alcohol

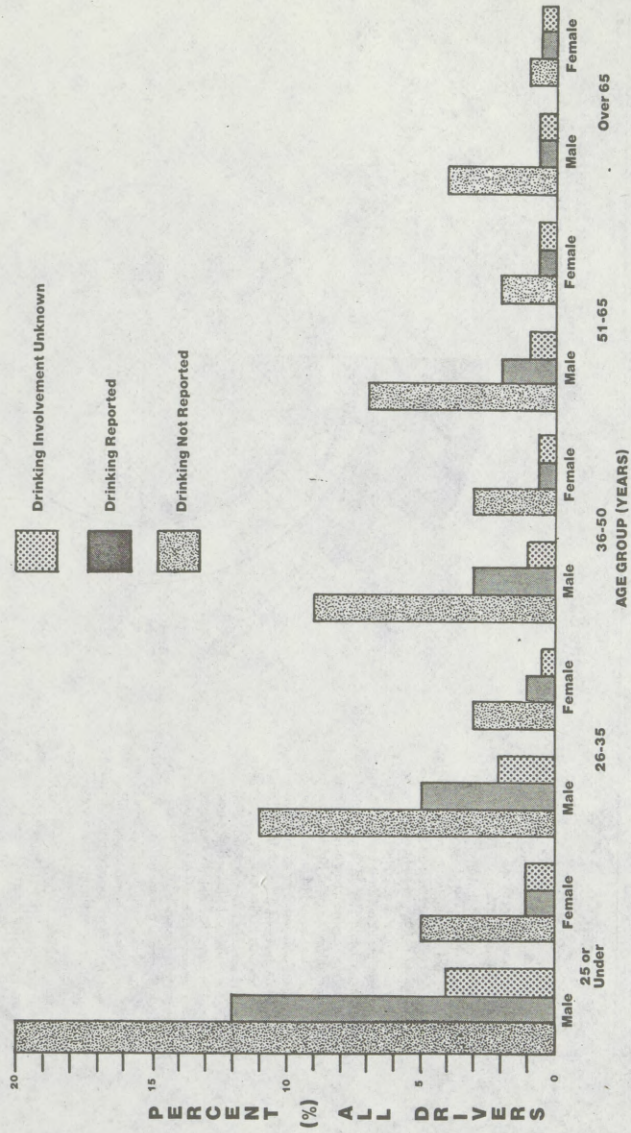
BAC Test Results —
Drivers in 1977 Fatal Accidents

Figure 33.



(FROM 1977 Annual Report, U. S. DOT, NHTSA, NCSA,
Fatal Accident Reporting System)

Driver Age, Sex, and Reported Alcohol Involvement
(1977 Fatal Accidents)



ALCOHOL AND HIGHWAY SAFETY 1978:
A REVIEW OF THE STATE OF KNOWLEDGE
SUMMARY VOLUME

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January 1978

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DEFINING THE ALCOHOL-CRASH PROBLEM

The behavioral and emotional effects of alcohol consumption are caused by the effects of alcohol on the brain. The measurement of BACs is really an attempt to determine, indirectly, the amount of alcohol in the brain. Since it is not usually possible or practical to extract samples of brain tissue for this measure, materials from other parts of the body are employed. Thus, the presence of alcohol in the body is most commonly measured through chemical tests performed on samples of blood, urine, and/or breath.

Just how much alcohol must be ingested for acute alcohol intoxication to occur varies from person to person. Relevant variables are body weight, contents of the stomach, physical health, and the tolerance the individual has developed to the effects of alcohol. Researchers have found that at a BAC of 0.15% w/v, at least half of all people will show signs of gross intoxication. Many people appear to be intoxicated at a much lower BAC (AMA Committee on Medicolegal Problems 1970).

It is interesting that there is no generally accepted explanation of how intoxication is caused by alcohol nor is there an adequate basis for pinpointing the components of the central nervous system which are most susceptible to the influence of alcohol (U.S. Department of Health, Education and Welfare 1971). The major conclusion that can be drawn from existing research on the fundamental nature of alcohol's effect on the nervous system is that there is insufficient knowledge to develop any practicable model for predicting a specific effect on behavior. Without a general, unifying theory, it has been necessary to turn to empirical data obtained through laboratory and field experiments to describe how alcohol affects behavior (The major findings of these experiments relevant to the alcohol-related crash problem will be discussed later in this report.)

THE PRESENCE OF ALCOHOL IN CRASHES

This section presents the results of several important epidemiologic studies of the incidence of drinking drivers in crashes. The primary objective is to determine approximately how many crashes of various levels of severity involve drivers who were known to have alcohol in their blood at the times of their crashes. A secondary objective is to estimate the incidence of drinking in pedestrians who were fatally injured by being struck by an automobile. In no case should the data presented here be interpreted as showing that the crashes which involved drinking drivers were necessarily caused by the impairment of those drivers by alcohol. Much more evidence than the mere presence of alcohol in the bodies of people who have been in accidents is required to imply cause.

Data Collection Methods and Problems

In epidemiologic studies, information on crashes and on crash-involved drivers has been collected through the joint efforts of researchers and police officers over a period of one or more years. The usual arrangement is that as soon as possible after a crash has occurred, police officers or dispatchers inform the interested researchers, who then send a trained accident investigator to the scene of the crash. In some cases, police

ALCOHOL AND HIGHWAY SAFETY 1978

reports have been relied on for data, but this is not ideal, since police departments are usually understaffed and the data needs of researchers and the police are not the same.

The most objective measure of immediate drinking behavior is blood alcohol concentration (BAC). The development of instruments and procedures allowing the accurate measurement of BAC has permitted researchers to define more exactly the relationship between alcohol consumption and impairment of human performance. The conventional psychomotor tests for intoxication used by physicians have been shown to be inaccurate as much as 50% of the time (Mason and Dubowski 1976). Moreover, an intoxicated driver with a high motivation to avoid arrest may have an increased ability to mask the influence of alcohol on such things as body sway, walking a straight line, and other tests of coordination used by police officers to identify drunk drivers. Technically, BAC describes a chemical state of the body rather than a behavior. Its measurement is not dependent upon the driver's subjective self-report or upon the subjective judgment of a police officer or accident investigator.

Several problems, however, have been associated with the measurement of blood alcohol concentration in epidemiologic research. The measurement of BAC requires that the driver provide a sample of his body fluid or lung air for analysis. To ensure the accuracy of this measurement, the sample should be obtained for preservation as soon as possible after the occurrence of the crash or, in the case of studies of the BACs of drivers who have not crashed, as soon as possible after their interception for roadside interview. But drivers may refuse to provide the sample. Legally, in most states, unless the driver has been arrested for driving while intoxicated, no sample may be taken without his permission. His refusal to provide a sample, especially if he also refuses to provide other information, may introduce unknown bias into the results of the epidemiologic studies.

Beyond that, once the driver's permission has been obtained, there must be action to ensure that the sample taken for analysis will accurately reflect the BAC at the time of the crash or roadside interview. If the crash-involved driver is alive, the sample must be taken within a few hours of the crash, before the BAC has been significantly affected by the metabolic processes of the body. This requires that researchers be quickly dispatched to the crash site, that the samples be quickly and adequately preserved, and that they be safely transferred to a laboratory for analysis.

If the driver has been injured seriously enough to require medical attention, the sample may be taken in the emergency room of a hospital without his explicit permission or knowledge. In a recent review of epidemiologic studies of alcohol-related highway crashes, Perrine (1975) observed that while such an approach minimizes some types of bias, it opens the door for biases resulting from the failure of hospital attendants to obtain samples from all the drivers who are treated, or from delay in obtaining a sample because a driver has already been treated by a private physician before his arrival at the emergency room.

The determination of BAC in fatally injured drivers is a relatively straightforward matter in jurisdictions where such measurements are routinely made by coroners or medical examiners. There are, however, two major problems in obtaining these measurements. The first occurs when not all of the deceased drivers are tested. A bias caused by the manner in which "samples" are selected may thus be introduced, i.e.,

DEFINING THE ALCOHOL-CRASH PROBLEM

certain types of drivers may be systematically eliminated from or selected for the tests.

The second problem occurs when the victim does not die until many hours after the crash and continues to metabolize the alcohol while still alive. In such cases, the BACs taken after death will be much lower than they were at the time of the crash. This difficulty has been avoided in some studies by excluding samples taken from drivers who died more than four to six hours after the crash. However, the very fact that such drivers are excluded may cause still another bias if, as found in one study (Baker and Spitz 1970), drivers who survive for longer periods after their crashes are substantially different with respect to drinking-driving than those who survive for shorter periods.

The following discussion of the incidence of alcohol in crashes is based on the most reliable data believed to be currently available and avoids data taken from studies where methodological problems of the types noted above appear to be significant. The data on non-fatal injury crashes are taken from studies in which breath samples were obtained at the scene of the crash. The data on fatal crashes are from studies in which nearly all of the deceased drivers were tested for BAC within six hours after the crash.

Alcohol in Fatal Crashes

Figure 3-1 summarizes the range of findings of four well-designed and well-executed studies of fatal crashes. The data were collected in California (two studies), Vermont, and Michigan during the period of 1962 to 1969 (Neilson 1969; Waller et al. 1970; Perrine, Waller, and Harris 1971; Filkins et al. 1970). Each study involved at least 100 drivers who were fatally injured in single-vehicle and multi-vehicle, non-pedestrian crashes.

It can be seen from the figure that 40% to 55% of all the fatally injured drivers tested had a BAC of 0.10% w/v or more. These drivers were too intoxicated to drive a motor vehicle under the laws of most states. A large percentage of the drivers (29% to 43%) had BACs in the very high range of .15% w/v or greater.

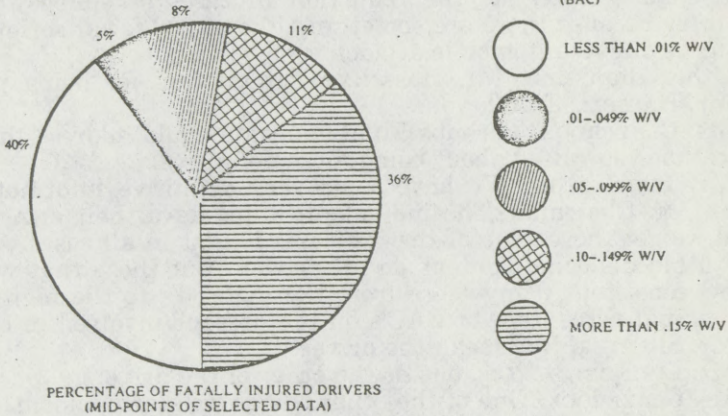
The data on driver fatalities in single-vehicle crashes (Neilson 1969; Waller et al. 1970; Perrine, Waller, and Harris 1971; Filkins et al. 1970; Haddon and Bradess 1959) show even higher percentages of individuals with BACs above the legal limit for driving (Figure 3-2). By legal standards, 55% to 65% of the sample were too intoxicated to drive, and 35% to 54% had BACs greater than .15% w/v. The variations in these data are quite small except at the higher BACs, where the Vermont data show a much lower percentage of drivers than the other studies.

These figures on BAC distributions apply to fatally injured drivers of motor vehicles in general. A recent study (Baker and Fisher 1977) of fatal motorcycle crashes in Maryland found that the BAC distributions of the fatally injured motorcycle drivers were similar to those of fatally injured drivers of cars and trucks in that state.

Note that all of the above figures apply to fatally injured *drivers*. The figures cannot be applied to *all drivers* in fatal crashes, because the BACs of surviving drivers in fatal crashes were not measured. If, as the Baker and Spitz study (1970) suggests, surviving drivers in fatal crashes have lower BACs than non-surviving drivers, then applying the above percentages to all fatal crashes would tend to overestimate the number of fatal crashes involving drivers at the higher BACs.

ALCOHOL AND HIGHWAY SAFETY 1978

Figure 3-1. Blood alcohol concentrations of drivers killed in non-pedestrian crashes (U.S.)

FATALLY INJURED DRIVERS WITH BACs
EXCEEDING GIVEN RANGES

FATALLY INJURED DRIVERS WITH BACs IN GIVEN AMOUNTS

BAC	PERCENTAGE OF FATALLY INJURED DRIVERS	
	RANGE	MID-POINT OF RANGE
.15% W/V OR MORE	29-43	36
.10% W/V OR MORE	40-55	47
.05% W/V OR MORE	50-60	55

DATA FROM CALIFORNIA, VERMONT, AND MICHIGAN, 1962-1969 (Neilson 1969; Waller et al. 1970; Perrine, Waller, and Harris 1971; Filkins et al. 1970).

Alcohol in Nonfatal Crashes

The involvement, or frequency, of drinking drivers in nonfatal personal-injury crashes in the United States has been examined in two of the more comprehensive and reliable epidemiologic studies of the alcohol-crash problem. The first of these is the Grand Rapids study (Borkenstein et al. 1964). Its site was Grand Rapids, Michigan, and its time period was July 1962 through June 1963. The BACs of 5,986 drivers were taken at the scenes of crashes of all degrees of severity, except fatal crashes, seven days a week, 24 hours a day.

The second study was conducted more recently (1974-1975) in Huntsville, Alabama (Farris, Malone, and Lilliefors 1976), where data were also collected seven days a

Mr. HOWARD. I just think the record ought to show also that we're talking about deaths, and, of course, that's a big thing, but we really haven't brought out the fact of some of the spin-offs from this 55-mile-an-hour speed limit that has to do with serious injuries. I believe this report shows the serious spinal cord injuries due to accidents are down something like 70 percent from pre-55. The American Medical Journal stated the 55-mile-an-hour speed limit is the major reason for the reduction in cases of epilepsy in this country because there are something like 90,000 fewer serious head injuries due to automobile accidents.

Other than that, Mr. Hassell, we thank you for being present.

Mr. HASSELL. Thank you.

Ms. CLAYBROOK. Perhaps Mr. Livingston could address the question that you raised about being more definitive.

Mr. LIVINGSTON. We have some very definitive information on that, Mr. Chairman. The individual States have their own reports and we get those. One of the problems is that in all cases we don't get a blood-alcohol content on all drivers. But those that we have show consistently anywhere from the high 30's to the high 50's of the actual percentage of BAC's on the persons involved in crashes.

Mr. SHUSTER. You mean the driver?

Mr. LIVINGSTON. Yes, one or the other of the drivers.

Ms. CLAYBROOK. One of the other things we started about 2 years ago, Mr. Shuster, was a broad-scale accident investigation activity that has nationally valid statistics which we never had before. The first report on that work will be available to us I hope within about a month. One of the areas to be considered is the alcohol level of the driver and the other occupants in the car.

I might also note that there is a significant number of pedestrians who are killed who have also been drinking, so that alcohol is not only involved in deaths of motor vehicle drivers but also pedestrians on the highway.

I would add that one kind of distinction that we have been able to make in terms of what remedies to apply to this problem is the difference between the alcoholic driver and the social drinker. We have been, and some States have been, highly successful in applying remedies for the social drinker; but as to the alcoholic drinking driver it is much more difficult. We have really had no success in that area.

Mr. SHUSTER. The GAO report concerning this matter recommended that media education should play a major role in any anti-drunk driver campaign. In the past you have expressed a certain disdain for media campaigns, questioning their effectiveness.

Do you intend to follow up on this GAO recommendation?

Ms. CLAYBROOK. I think you have misstated my position. I believe very much in media campaigns, but I think that what we need to do is to evaluate them as we do them, to make sure that the ones we do are effective.

I feel in the alcohol area that this is perhaps one area where we have had some modicum of success. The theme that the agency started promoting about 4 or 5 years ago was: "Don't let a friend drive drunk". It was a program aimed not at the person who was by that time already drunk, but rather at their associates. One of the things that has happened in this country is that, in the same

way that it has become permissible to tell someone to "please stop smoking", it has also become somewhat acceptable to suggest to the friend that they not drive drunk.

I wanted to bring with me—because I was sure you would ask me this question—a new TV spot which is not quite finished, but it will be in about a week, and we would be delighted to show it to you. We got the cooperation of the producers of Star Wars to let us use the bar scene in Star Wars as an attempt to appeal to young people and to have a spot about "Don't let a friend drive drunk". We have been pursuing this as much as we know how, at the same time evaluating it as we're doing it.

Mr. SHUSTER. Have you considered giving this kind of emphasis to seat belts as well?

Ms. CLAYBROOK. Yes. We produced a spot, which is finished and has been distributed, which I would be happy to show you. It is based on some Chrysler film which shows what happens when a car smashes into a brick wall without a belt, with a lap belt, and with a shoulder belt and lap belt combination.

Mr. SHUSTER. You were promoting a film a year or so ago that showed that a seat belt didn't work in a head-on crash into a wall. It showed the seat belt being ripped apart.

Ms. CLAYBROOK. I don't think we used that as a TV spot.

Mr. SHUSTER. Maybe you didn't. It was shown in my office with a NHTSA representative. It was used to promote the air bag. I didn't intend to get into this subject today, but—

Ms. CLAYBROOK. That's not a TV spot. We do research tests and we need to know what good design limits are on different pieces of equipment. I don't think we have shown those films around the country.

Mr. SHUSTER. No, just to Members of Congress.

Ms. CLAYBROOK. Well, I show the Appropriations Committee and the authorizing committee the work we are doing, to the extent we can.

Mr. SHUSTER. Thank you very much. Thank you, Mr. Chairman.

Mr. HOWARD. Before we go on, this idea of not having the funds that the Congress wants for the enforcement of the 55-mile-an-hour speed limit, taking \$40 million from some other programs in 402 and using that for the 55-mile-an-hour enforcement, I have a letter directed to me dated February 26, 1979, which, without objection, I would like placed in the record at this point.

[The following was received for the record:]

NATIONAL ASSOCIATION OF GOVERNORS'
HIGHWAY SAFETY REPRESENTATIVES,
Washington, D.C., February 26, 1979.

Hon. JAMES J. HOWARD,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HOWARD: The National Association of Governors' Highway Safety Representatives is comprised of the men and women who are responsible to the several Governors for the administration of the Highway Safety Act of 1966 as amended.

We are aware of your views on strict enforcement of the 55 National Maximum Speed Limit law, and applaud you for the firm stand you expressed in Denver, Colorado, on February 10, 1979, on the same subject. We are also aware of your joint letter with Rep. Bud Shuster to the Secretary, U.S. Department of Transportation, on the intent of Congress with respect to the \$40 million set-aside for 55 MPH

enforcement which is to be drawn down from Section 402 State and local community funds, and the Secretary's rejection of "your assessment of the law."

On page 2 of the Secretary's letter is a rather casuistical statement to the effect that at the urging of DOT, the States has already increased the amount of their highway safety funding devoted to 55 MPH programs. The States did indeed submit their annual Highway Safety Plans with increased funding for 55 MPH enforcement—as a condition for approval. The HSP's had to be submitted by August 1, 1978. The increased expenditure out of Section 402 funds for 55 MPH enforcement was not a case of voluntary acquiescence. It was either increase such funding or forego DOT approval for fiscal 1979.

As can be seen by the NHTSA Notice 464, dated December 12, 1978 (photocopy of which is attached), the U.S. DOT had ordained the fiscal 1979 expenditures of Section 402 funds as early as September 28, 1978.

The principle that governs the highway and highway safety program is that of a Federally-assisted State program which, in the language of Title 23, Section 145, best expresses that principle: "The authorization of the appropriation of Federal funds . . . shall in no way infringe on the sovereign rights of the States to determine which projects shall be Federally financed." The provisions of this chapter provide for a Federally-assisted State program.

Section 402(c) of Title 23, provides that funds appropriated to carry out the Highway Safety Act of 1966, as amended, "... shall be used to aid the States . . . to conduct approved highway safety programs."

The Secretary, DOT has chosen to set aside \$40 million of Section 402 money for 55 MPH enforcement. The result is that some States are being compelled to contrive an artificially conceived highway priority which is arrayed against higher priority programs already underway. In many States, prior planned projects are being subverted and cut back because 402 funds must be dedicated to a particular type of activity regardless of the State's statistical findings concerning the extent of involvement of that activity in its highway safety experience, thus leaving a shortage of funds for other higher priority projects.

This office surveyed the membership to learn the effects of the Secretary's set-aside order of the \$40 million. A sampling of the responses is typical:

Arizona: Reduce funds for use in non-NMSL areas where the largest increase in fatalities took place in 1977-78; drop the purchase of breath testing devices needed to combat drunk drivers; drop the training of Emergency Medical Technicians in rural areas.

California: Drop \$1.5 million projected for local police traffic services; drop \$.75 million projected for an EMS communications system; reduce alcohol enforcement programs by \$400,000.

Colorado: Presently meets the 55 MPH enforcement guidelines contained in the Surface Transportation Act of 1978. Current high priority projects, already planned and agreed upon, at the State and local level, will have to be cancelled. NHTSA Notice 464 makes it necessary to withdraw some of the funds already obligated for current projects.

Georgia: Entered into fifteen "high payoff" Selected Traffic Enforcement Programs (STEP) several years ago when first funded by the Congress. Many of the elements of the program involved alcohol and driving in non-NMSL areas where there are no 55 MPH roads, but where there are high accident rates and drinking drivers who contribute to same (half the counties in Georgia have no interstate routes). Georgia promised local communities to assist them for the three year period allowed by NHTSA rules. Those local communities will now be told that the State must withdraw from prior support.

Iowa: Has an alcohol safety action program evaluated as successful in nine cities of 40,000 population or more. No further implementation in other areas of the State will be possible with the set-aside of \$687 thousand for 55 MPH enforcement.

New Jersey: Reduced its available Section 402 funds by \$1.1 million which had been programmed for police training, breath testing devices, selective enforcement projects; pedestrian safety materials; training of 160 Emergency Medical Technicians, 86 mobile radios for use in emergency vehicles.

New York: Had already programmed 35.7 percent of its "regular" 402 funds for traffic enforcement, and has planned to use funds authorized by Public Law 95-599 for 55 MPH enforcement so as to account for 43.5 percent of its total available funds (both 402 and Section 154) for traffic enforcement. New York will now reduce needed traffic enforcement (in non-NMSL areas) by \$1.3 million which represents on-hand grant applicants for enforcement projects. In addition, the total NMSL fiscal shortfall is in excess of \$3.5 million which means other parts of the total highway safety program will have to be deferred.

Utah: The set-aside forces the State to reduce speeds where the accidents do not happen (five counties contain 80 percent of Utah's population). Utah will fund the highway patrol to enforce the NMSL but will delete or drastically reduce alcohol enforcement, pedestrian safety and accident-causing violations at high accident sites, in order to meet the NHTSA set-aside requirement.

Other States responded similarly. One thread that runs through all of the comments received: we now are in a categorical grant process (seat belts, school bus driver training, 55 MPH enforcement, 40 percent for local jurisdictions), leaving little for discretionary use at the State level. Arkansas reported a residual of 8 percent for the Governor's use in determining which problem areas shall receive the highest priorities. The comment of the Hawaii Governor's Representative expressed it best: "... the NHTSA in mandating specific highway safety programs is regressing into history where the State's plans were administered on a project by project basis."

House Report 95-1485, August 11, 1978, in discussing retention of the eighteen highway safety standards, but with the emphasis on the wide discretion given the Secretary in approving State highway safety plans, and with less emphasis on the standards, stated:

"This will permit a time for experimentation, a time for evaluation, and in due course, a time to come back to the Congress with sound recommendations for change based on these antecedent efforts." (at p. 48)

The so-called Annual Work Plan, in use under the 402 program for several years, was shelved recently by NHTSA in favor of the Highway Safety Plan the chief characteristic of which is the emphasis on problem identification and solutions for problems, rather than prescriptive grant management according to standards formulae—the very antithesis of problem identification processes. With the advent of the \$40 million set-aside, the cumulative effect of present statutory and quasi-statutory (Secretary Adam's interpretation of the 1978 legislation) prescriptions, is that there remains little room for either problem identification or efforts at solutions. There will not be a time for experimentation and sound recommendations based on antecedent efforts which will not take place.

NAGHSR supports the life-saving activities of 55 MPH enforcement and accepts the challenge of hard criteria laid down in the Highway Safety Act of 1978. But to achieve the goals envisioned by that criteria, without the funding authorized in the 1978 Act at the expense of other proven safety activities, is short sighted and self-defeating when one considers the total program outlined in the opening paragraph of Section 402.

Your continued support for funding the authorization contained in Section 202(4) of the 1978 Act is sought. Page 728 of the U.S. Budget for 1980 tells us where the Administration stands on the issue: there will be the same \$40 million set-aside for 55 MPH enforcement out of the planned \$175 million authorization requested. We hope that a supplemental appropriation for fiscal 1979 can be initiated in the Congress for this purpose.

With kindest personal regards,

Sincerely,

JOSEPH P. MURPHY,
Executive Director.

Attachment.



National Highway Traffic Safety Administration

NOTICE

464

DATE OF ISSUANCE

GPI:

DEC 12 1978

NAD-60

SUBJECT: REVISED FY 1979 LIMITATION ON
NHTSA OBLIGATIONS FOR THE STATE AND
COMMUNITY HIGHWAY SAFETY PROGRAM

EXPIRATION DATE: March 12, 1979

- Par. 1. Purpose
2. Effect on Other Directives
 3. Fiscal Year Funding
 4. State Limitations
 5. Northern Mariana Islands
 6. Regional Allotments

1. **PURPOSE.** To establish State obligational limitations and Regional allotments for the State and Community Highway Safety Grant Program for Fiscal Year 1979, applicable to highway safety standards administered by NHTSA.
2. **EFFECT ON OTHER DIRECTIVES.** This Notice supersedes NHTSA Notice 464 dated September 28, 1978, Subject: "Interim FY 1979 Limitation on NHTSA Obligations for the State and Community Highway Safety Program."
3. **FISCAL YEAR FUNDING.** Since the issuance of the Interim FY 1979 Limitation, new authorizing legislation has been enacted (Public Law 95-599), permitting the apportionment of funds effective November 6, 1978, for FY 1979. With this additional authorization the interim FY 1979 limitation is revised as follows:

Base Program (including Section 406)	\$123,655,000
National Maximum Speed Limit	40,000,000
Safety Belt Usage	3,430,000
Total to States	\$167,095,000
Administration	4,905,000
Total Appropriated	<u>\$172,000,000</u>

4. STATE LIMITATIONS.

- a. Column A of the Attachment sets forth the maximum amounts which may be used for Base 402 and School Bus Driver Training (406) Program obligations during Fiscal Year 1979.
- b. Column B of the Attachment shows the level of funding to be obligated for the National Maximum Speed Limit (NMSL) activities under 23 United States Code 154. Four jurisdictions, Vertical lines denote change.

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Governors' Representatives thru Regional Offices
Secretarial Representatives

(the District of Columbia, Guam, American Samoa, and the Virgin Islands) have no 55 MPH posted speed limits. Funds for those four jurisdictions are allotted for speed enforcement programs.

- c. Column C of the Attachment identifies amounts to be expended during Fiscal Year 1979 by the States and local governments to encourage the use of safety belts by drivers of, and passengers in, motor vehicles. These funds are authorized under Section 213 of the Highway Safety Act of 1978.
- d. Column D of the Attachment identifies amounts, included in Column A, remaining unobligated of the FY 1976 Section 406 School Bus Driver Training authorization of \$7.5 million. These latter sums are expiring as to availability for obligation at September 30, 1979. Therefore, if these sums are not obligated for Section 406 purposes by that date, the authorization remaining will lapse and an equal amount of the obligation limitations will be rescinded on September 30, 1979.
- 5. NORTHERN MARIANA ISLANDS. FY 1979 is the initial year for funding the Northern Mariana Islands. Ther FY 1979 obligation limitation is \$200,000 based on a budget submitted by the Commonwealth, and subsequently approved by NHTSA officials. The first year's program budget is primarily for establishing highway safety capability and for procuring equipment. Therefore, speed enforcement funding was not included in the approved budget.
- 6. REGIONAL ALLOTMENTS. NHTSA Regional Administrators, within their delegated authority, are responsible for administering the program limitations, and may not authorize obligations in excess of these Regional allotments.

Vertical line denotes change.

Joan Claybrook
Joan Claybrook
Administrator

Attachment

ATTACHMENT
NHTSA Notice 464
December 12, 1978

FISCAL YEAR 1979 APPROPRIATION OF FUNDS

REGION	STATE	(A) BASE 402 PROGRAM	(B) N M S L	(C) SAFETY BELT U S A G E	GRAND TOTAL FY 1979 APPROPRIATION	(D) UNOBLIGATED FY 76 SEC. 406 FUNDS
I	CONNECTICUT	1,474,350	477,031	40,759	1,992,180	
	MAINE	618,330	200,000	17,150	835,480	
	MASSACHUSETTS	2,747,436	887,682	75,957	3,711,075	
	NEW HAMPSHIRE	618,330	200,000	17,150	835,480	
	RHODE ISLAND	618,330	200,000	17,150	835,480	4,586
	VERMONT	618,330	200,000	17,150	835,480	
	TOTAL	6,695,146	2,164,713	185,316	9,045,175	4,586
II	NEW JERSEY	3,389,846	1,097,141	93,712	4,580,699	
	NEW YORK	8,821,921	2,854,495	243,882	11,920,298	
	PUERTO RICO	1,240,117	401,110	34,282	1,675,509	
	VIRGIN ISLANDS	360,234	133,333	11,433	505,000	956
	TOTAL	13,812,118	4,486,079	383,309	18,681,506	956
III	DELAWARE	618,330	200,000	17,150	835,480	
	DIST. OF COLUMBIA	618,330	200,000	17,150	835,480	
	MARYLAND	1,919,524	620,865	53,065	2,593,454	
	PENNSYLVANIA	6,079,304	1,964,777	168,063	8,212,144	
	VIRGINIA	2,528,862	818,082	69,910	3,416,854	
	WEST VIRGINIA	1,036,214	336,264	28,646	1,401,124	
	TOTAL	12,800,564	4,139,988	353,984	17,294,536	
IV	ALABAMA	2,185,920	708,097	60,429	2,954,446	
	FLORIDA	3,693,943	1,187,785	102,118	4,993,846	
	GEORGIA	2,813,191	910,954	77,770	3,801,915	
	KENTUCKY	1,944,634	629,656	53,759	2,628,049	
	MISSISSIPPI	1,506,484	486,626	41,646	2,034,756	
	NORTH CAROLINA	2,939,906	951,395	81,277	3,972,578	32,390

REGION	STATE	(A) BASE 402 PROGRAM	(B) N M S L	(C) SAFETY DELT U S A G E	GRAND TOTAL FY 1979 APPROPRIATION	(D) UNOBLIGATED FY '76 SEC. 406 FUNDS
IV	SOUTH CAROLINA	1,615,909	522,969	44,670	2,183,548	
	TENNESSEE	2,353,700	761,746	65,067	3,180,513	
	TOTAL	19,053,687	5,169,228	526,736	25,749,651	32,390
V	ILLINOIS	5,888,592	1,902,978	162,789	7,954,359	
	INDIANA	2,989,149	965,546	82,634	4,037,329	
	MICHIGAN	4,814,167	1,558,407	133,087	6,505,661	
	MINNESOTA	2,634,426	853,742	72,828	3,560,996	
	OHIO	5,524,918	1,788,289	152,738	7,465,945	
	WISCONSIN	2,771,008	895,718	76,604	3,743,330	
	TOTAL	24,622,260	7,964,680	680,680	33,267,620	
VI	ARKANSAS	1,421,377	458,780	39,293	1,919,450	
	LOUISIANA	2,021,907	654,677	55,895	2,732,479	
	NEW MEXICO	840,125	272,485	23,226	1,135,836	
	OKLAHOMA	1,981,856	642,409	54,788	2,679,053	
	TEXAS	6,922,290	2,241,215	191,366	9,354,871	338,397
	TOTAL	13,187,555	4,269,566	364,568	17,821,689	338,397
VII	IOWA	2,118,792	687,258	58,575	2,864,625	
	KANSAS	2,017,700	654,216	55,779	2,727,695	
	MISSOURI	2,965,493	960,330	81,980	4,007,803	72,923
	NEBRASKA	1,370,443	444,336	37,885	1,852,664	
	TOTAL	8,472,428	2,746,140	234,219	11,452,787	72,923
VIII	COLORADO	1,598,457	514,278	44,189	2,156,924	
	MONTANA	847,636	275,198	23,434	1,146,268	
	NORTH DAKOTA	944,078	306,268	26,098	1,276,444	

REGION	STATE	(A) BASE 402 PROGRAM	(B) N M S L	(C) SAFETY BELT U S A G E	GRAND TOTAL FY 1979 APPROPRIATION	(D) UNOBLIGATED FY '76 SEC. 406 FUNDS
VIII	SOUTH DAKOTA	862,919	279,800	23,855	1,166,574	
	UTAH	813,754	268,692	17,150	1,104,942	
	WYOMING	618,330	200,000		835,480	
	TOTAL	5,685,174	1,844,236	157,222	7,686,632	
IX	AMERICAN SAMOA	360,234	133,333	11,433	505,000	
	ARIZONA	1,213,943	393,223	33,559	1,640,725	
	CALIFORNIA	10,076,512	3,254,253	278,565	13,609,330	
	GUAM	360,234	133,333	11,433	505,000	
	HAWAII	618,330	200,000	17,150	835,480	
	NEVADA	618,330	200,000	17,150	835,480	
	N. MARIANA ISLANDS	188,567	-0-	11,433	200,000	
	TOTAL	13,436,150	4,314,142	380,723	18,131,015	
X	ALASKA	618,330	200,000	17,150	835,480	
	IDAHO	805,060	248,334	22,255	1,075,649	
	OREGON	1,742,453	565,493	48,169	2,356,115	
	WASHINGTON	2,116,745	687,401	58,519	2,862,665	
00	TOTAL	5,282,588	1,701,228	146,093	7,129,909	37,500
	SEC'Y OF INTERIOR	618,330	200,000	17,150	835,480	
	TOTAL	123,666,000	40,000,000	3,430,000	167,096,000	486,752
	AMOUNT FOR ADMIN.				4,904,000	
	GRAND TOTAL				172,000,000	

Mr. HOWARD. This letter from the National Association of Governors' Highway Safety Representatives relates to the adverse effects of enforcing the 55-mile-an-hour program with the \$40 million from section 402 money.

For example, in Arizona, it will be reduce funds for use in non-NMSL areas where the largest increase in fatalities took place in 1977-78; and drop the purchase of breath-testing devices needed to combat drunk drivers; and drop the training of emergency medical technicians in rural areas.

And California says that due to this they would have to drop \$1.5 million projected for local police traffic services; drop \$750,000 projected for an EMS communications system; and reduce the alcohol enforcement programs by \$400,000.

In New Jersey it has reduced its available section 402 funds by \$1.1 million which had been programmed for police training, breath-testing devices, selective enforcement projects; pedestrian safety materials; training of 160 Emergency Medical Technicians, and 86 mobile radios for use in emergency vehicles.

So I think the best thing we could do, if we want to continue saving lives, is to have all of those good, worthwhile 402 programs stay intact and to hope to get the support of the administration in complying with the policy that was overwhelmingly voted for by the Congress for the 55-mile-an-hour enforcement program. So I would like to place that in the record.

Also, there has been some discussion about the Secretary's activities, which I think have been very good in the face of what is occurring out in the West. I have a letter from Secretary Adams, sent to me on March 7, with enclosures of telegrams and information he has sent to States, such as North Dakota, Texas, Wyoming, and Montana.

Without objection, I would like to make that a part of the record at this point.

[The following was received for the record:]



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAR 7 1979

Honorable James J. Howard
Chairman, Subcommittee on
Surface Transportation
Committee on Public Works
and Transportation
Washington, D. C. 20515

Dear Jim:

Thanks for sending me a copy of your kind note to
Fred Vetter. I was glad to hear he helped out at
your conference in Denver on the 55 mph speed limit.

For your information, and possible use, I am enclosing
copies of the telegrams I recently sent to North Dakota,
Texas, Wyoming, and Montana urging the Governors of
those States to reject legislation which overturns the
55 mph speed limit.

Please let me know if you need any other information.
I really appreciate your help on this program.

Sincerely,

A handwritten signature in dark ink, appearing to read "Brock Adams", is written over a large, circular, light-colored stamp or watermark.

Brock Adams

Enclosures

TELEGRAPHIC MESSAGE

NAME OF AGENCY Natl. Hwy. Traff. Saf. Administration	PRECEDENCE ACTION <i>PRIORITY</i> INFO.	SECURITY CLASSIFICATION
ACCOUNTING CLASSIFICATION	DATE PREPARED 1/25/79	TYPE OF MESSAGE ☒ AIRMAIL ☐ BOOK ☐ MULTIPLE-ADDRESS
FOR INFORMATION CALL		
NAME Judie Pasquini	PHONE NUMBER 426-1836	

THIS SPACE FOR USE OF COMMUNICATION UNIT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO:

HONORABLE ED HERSCHLER
GOVERNOR OF WYOMING
CHEYENNE, WYOMING 82001

IT HAS COME TO MY ATTENTION THAT THE WYOMING SENATE HAS APPROVED A BILL TO PERMIT A 65 MPH SPEED LIMIT. I WANT YOU TO KNOW THAT THIS DEPARTMENT REMAINS COMMITTED TO THE 55 MPH SPEED LIMIT. THE CONTINUED DEPENDENCE UPON FOREIGN ENERGY SOURCES UNDERLIES THE CONSERVATION ROLE OF THE LIMIT AND THE CONTINUED SAVINGS OF LIFE REFLECTED IN THE FATALITY REDUCTION RATE HIGHLIGHT THE IMPORTANCE OF THE SPEED LIMIT AS A NATIONAL REQUIREMENT. NATIONALLY, THIS LAW HAS RESULTED IN SAVING ABOUT 5,000 LIVES A YEAR AND MANY THOUSANDS MORE INJURIES. ALSO, IT IS IMPORTANT TO KNOW THAT ENACTMENT OF A SPEED LIMIT HIGHER THAN 55 MPH WOULD AFFECT FUTURE FEDERAL-AID HIGHWAY FUNDING. THE LAW IS CLEAR AND UNEQUIVOCAL IN THIS RESPECT. TITLE 23 U.S.C. 154 PROVIDES AS FOLLOWS:

(A) THE SECRETARY OF TRANSPORTATION SHALL NOT APPROVE ANY PROJECT UNDER SECTION 106 IN ANY STATE WHICH HAS (1) A MAXIMUM SPEED LIMIT ON ANY PUBLIC HIGHWAY WITHIN ITS JURISDICTION IN EXCESS OF FIFTY-FIVE MILES PER HOUR

SECURITY CLASSIFICATION	
PAGE NO. 1	NO. OF PGS. 2

TELEGRAPHIC MESSAGE

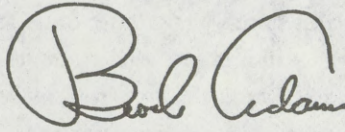
NAME OF AGENCY NHTSA	PRIORITY ACTION PRIORITY INFO	SECURITY CLASSIFICATION
ACCOUNTING CLASSIFICATION	DATE PREPARED 1/26/79	TYPE OF MESSAGE ☐ SINGLE ☐ BOOK ☐ MULTIPLE-ADDRESS
FOR INFORMATION CALL		
NAME Judie Pasquini	PHONE NUMBER 426-1836	

THIS SPACE FOR USE OF COMMUNICATION UNIT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO:

ACCORDINGLY, SHOULD WYOMING ENACT A SPEED LIMIT LAW PERMITTING A 65
MPH SPEED, NO FURTHER PROJECT APPROVALS UNDER SECTION 106 WILL BE
GRANTED.



BROCK ADAMS
SECRETARY OF TRANSPORTATION

APPROVED

SECURITY CLASSIFICATION

PAGE NO.	NO. OF PGS.
2	2

NAME OF AGENCY Department of Transportation National Highway Traffic Safety Admin., 400 7th Street, S.W. Washington, D.C. 20590		ACROSS PRIORITY INFO.	SECURITY CLASSIFICATION
ACCOMPLISH CLASSIFICATION	DATE PREPARED 5/27/77	TYPE OF MESSAGE ☒ SINGLE ☐ BOOK ☐ MULTIPLE ADDRESS	
FOR INFORMATION CALL		PHONE NUMBER 426-9588	
NAME Mr. Charles F. Livingston			
THIS SPACE FOR USE OF COMMUNICATION UNIT 280145Z			
MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)			
TO: HONORABLE DOLPH BRISCOE GOVERNOR OF TEXAS AUSTIN, TEXAS 78701 IN MY MAILGRAM OF MARCH 25 TO ALL GOVERNORS REGARDING THE 55 MPH NATIONAL MAXIMUM SPEED LIMIT I INDICATED THAT ANY LESSENING OF PENALTIES FOR VIOLATIONS OF THE 55 MPH SPEED LIMIT WILL RAISE A PRESUMPTION THAT A STATE IS NOT IN COMPLIANCE WITH 23 U.S.C. 141. I UNDERSTAND TEXAS SENATE BILL #34, NOW BEFORE YOU FOR SIGNATURE WILL PROHIBIT A CONVICTION FOR THE VIOLATION OF THE 55 MPH SPEED LIMIT FROM BEING RECORDED OR CHARGED AGAINST A DRIVER'S RECORD. I RESPECTFULLY REQUEST YOU TO VETO THIS LEGISLATION FOR IF IT DOES BECOME LAW CESSATION OF PROJECT APPROVAL UNDER 23 USC 106 MUST BE CONSIDERED. WE WILL HAVE NO CHOICE BUT TO INSTITUTE CLOSE AND CONTINUING SCRUTINY OF TEXAS' ENFORCEMENT OF THE 55 MPH SPEED LIMIT TO DETERMINE IF ENFORCEMENT EFFECTIVENESS REGRESSES. <i>Brook Adams</i> BROOK ADAMS SECRETARY OF TRANSPORTATION APPROVAL PAGE NO. 1 NO. OF PGS. 1 SECURITY CLASSIFICATION			

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF GOVERNMENTAL AND PUBLIC
AFFAIRS
WASHINGTON, D.C. 20590

ACTION: PRIORITY

INFO:

010101Z

ACCOUNTING CLASSIFICATION

DATE PREPARED

TYPE OF MESSAGE

FOR INFORMATION CALL

NAME

ROBERT M. BEASLEY

PHONE NUMBER

426-2147

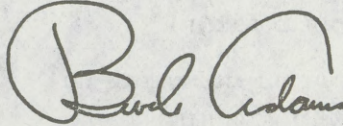
☒ SPACE☐ BOOK☐ MULTIPLE ADDRESS

THIS SPACE FOR USE OF COMMUNICATION UNIT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO:

I AM GRATEFUL FOR YOUR SUPPORT AND I HOPE THE STATE OF MONTANA
WILL CONTINUE TO SUPPORT THIS LIFE AND ENERGY SAVING EFFORT.



BROCK ADAMS

APPROVED

JAN 31 1979

SECURITY CLASSIFICATION

PAGE NO.

2

NO. OF PGS.

2

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF GOVERNMENTAL AND PUBLIC
AFFAIRS
WASHINGTON, D.C. 20590

ACTION: PRIORITY
INFO.

SECURITY CLASSIFICATION
010101Z

ACCOUNTING CLASSIFICATION

DATE PREPARED
JANUARY 31, 1979

TYPE OF MESSAGE

FOR INFORMATION CALL

NAME
ROBERT M. BEASLEY

PHONE NUMBER
426-2147

☒ SINGLE
☐ BOOK
☐ MULTIPLE-ADDRESS

THIS SPACE FOR USE OF COMMUNICATION UNIT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

TO: GOVERNOR THOMAS L. JUDGE
STATE OF MONTANA
HELENA, MONTANA 59601

I CAN APPRECIATE YOUR CONCERN OVER RECENT DEVELOPMENTS WITH THE 55
MILE-PER-HOUR SPEED LIMIT, PARTICULARLY IN SOME OF THE WESTERN STATES.
I WANT TO RE-EMPHASIZE MY STRONG SUPPORT FOR THE 55 MPH SPEED LIMIT IN
VIEW OF THE THOUSANDS OF LIVES IT HAS SAVED AND ITS CONTRIBUTION TO
THE PRESIDENT'S ENERGY CONSERVATION GOAL.

AS YOU REQUESTED I WISH TO CLARIFY MY POSITION AND THE INTENT OF
CONGRESS IN REGARDS TO TITLE 23 U.S.C. 154 WHICH STATES: THE
SECRETARY OF TRANSPORTATION SHALL NOT APPROVE ANY PROJECT UNDER
SECTION 106 IN ANY STATE WHICH HAS (1) A MAXIMUM SPEED LIMIT ON ANY
PUBLIC HIGHWAY WITHIN ITS JURISDICTION IN EXCESS OF FIFTY-FIVE MILES -
PER-HOUR.

THE LAW AND THE INTENT OF CONGRESS IS VERY CLEAR AND I WOULD BE LEFT
NO CHOICE BUT TO WITHHOLD FURTHER PROJECT APPROVAL UNDER SECTION 106
SHOULD MONTANA ENACT A SPEED LIMIT IN EXCESS OF 55 MPH.

SECURITY CLASSIFICATION

PAGE NO.	NO. OF PGS.
1	2

TELEGRAPHIC MESSAGE

NAME OF AGENCY Department of Transportation National Highway Traffic Safety Admin. 400 7th Street, S.W. Washington, D. C. 20590		PRECEDENCE ACTION: P INFO: DATE PREPARED	ACTION Is assigned to: NHTSA/CLAYBROOK CONTROL NO. 432030 SIRS S-10
ACCOUNTING CLASSIFICATION		FOR INFORMATION CALL	
NAME C. F. Livingston		PHONE NUMBER 426-0837	☐ MULTIPLE ADDRESS
THIS SPACE FOR USE OF COMMUNICATION UNIT			

MESSAGE TO BE TRANSMITTED (Use double spacing and a space between letters)

TO:

HONORABLE ARTHUR LINK
GOVERNOR OF NORTH DAKOTA
STATE CAPITOL
BISMARCK, NORTH DAKOTA 58505

I AM INFORMED THAT THE NORTH DAKOTA STATE LEGISLATURE HAS RECENTLY APPROVED LEGISLATION (H.B. 1449), WHICH WOULD REDUCE THE PENALTIES FOR VIOLATIONS OF THE 55 MPH SPEED LIMIT IN NORTH DAKOTA. THE LEGISLATION WILL BE SHORTLY FORWARDED TO YOU FOR FURTHER ACTION.

THE PRESIDENT, SECRETARY OF ENERGY SCHLESINGER, THE DEPARTMENT OF TRANSPORTATION, AND KEY CONGRESSIONAL LEADERS REMAIN STRONGLY COMMITTED TO THE 55 MPH LIMIT.

THE NATION'S CONTINUED DEPENDENCE UPON FOREIGN ENERGY SOURCES, AS RECENTLY EMPHASIZED BY THE IRANIAN SITUATION, UNDERLIES THE CONSERVATION ROLE OF THE LIMIT, AND THE CONTINUED SAVINGS OF LIFE REFLECTED IN THE FATALITY REDUCTION RATE HIGHLIGHT THE IMPORTANCE OF THE SPEED LIMIT AS A NATIONAL REQUIREMENT.

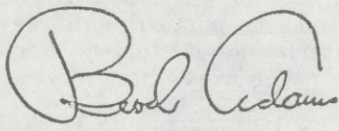
**AFTER THE FACT
LOG**

RECEIVED
MAR -2 AM 9:16
OFFICE OF THE ATTORNEY GENERAL
EXECUTIVE SECRETARIAT

SECURITY CLASSIFICATION

PAGE NO. 1	NO. OF PGS. 2
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TELEGRAPHIC MESSAGE

NAME OF AGENCY		PRECEDENCE ACTION: INFO:	SECURITY CLASSIFICATION
ACCOUNTING CLASSIFICATION		DATE PREPARED	TYPE OF MESSAGE ☐ SINGLE ☐ BOOK ☐ MULTIPLE-ADDRESS
FOR INFORMATION CALL			
NAME		PHONE NUMBER	
THIS SPACE FOR USE OF COMMUNICATION UNIT			
MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)			
TO: IN ORDER TO ACHIEVE IMPROVED COMPLIANCE WITH A 55 MPH SPEED LIMIT, A STRONG ENFORCEMENT POSTURE IS NECESSARY. THIS INCLUDES A LAW WITH STRICT PENALTIES FOR VIOLATORS. ANY LESSENING OF PENALTIES WHICH CREATES A SITUATION WHERE VIOLATORS ARE PENALIZED LESS NOW FOR FAILING TO COMPLY WITH SPEED LIMITS THAN PRIOR TO ENACTMENT OF THE 55 MPH LAW WILL RAISE A SUBSTANTIAL QUESTION AS TO WHETHER THE STATE IS IN COMPLIANCE WITH 23 USC 141 (PL 93-643). THE PENALTY FOR NON-COMPLIANCE IS IMMEDIATE WITHHOLDING OF ALL FEDERAL-AID HIGHWAY PROJECT APPROVAL UNDER 23 USC 106.  BROCK ADAMS APPROVED MAR 1 1979			
PAGE NO. 2		NO. OF PGS. 2	SECURITY CLASSIFICATION 1

STANDARD FORM 14
REVISED AUGUST 1967
GSA FPMR (41 CFR) 101-35.306

U.S. GOVERNMENT PRINTING OFFICE: 1974-535-402

16-596

Mr. HOWARD. The gentleman from Pennsylvania, Mr. Edgar.
Mr. EDGAR. Thank you, Mr. Chairman. I just have three brief questions.

First in the area of the alcoholism program, you were describing for Mr. Shuster that you make a special attempt around New Year's and New Year's Eve to put some special effort out on that particular holiday, because of the known practice imbibing on that day—

Ms. CLAYBROOK. We don't actually require enforcement but we support the State efforts. One of the programs developed and emanated from Indiana, Illinois, Ohio, and Michigan, was called Operation Care. It was designed to include enforcement among those four States, crossing State lines on holiday weekends. It was geared primarily to the big summer weekends because that's when there is the greatest problem.

I don't believe that program has been geared to New Year's Eve.

Mr. EDGAR. I was going to suggest you include St. Patrick's Day in your efforts. [Laughter.]

I had the opportunity to drive home from Philadelphia on Saturday evening at about 11 o'clock, coming off the expressway around Wilmington, and the car in front of me began to weave pretty heavily on the highway. I followed him for about 5 miles, putting my blinkers on trying to prevent other people from passing because of his movement in and out of the traffic. Finally, about 5 miles down the road, an automobile was stopped along the side of the road changing a tire, and this particular driver went sideways up to the automobile before he got it stopped. Fortunately, he didn't hit the car or the people who were changing the tire. But it was a dangerous time period.

Through the 2½-hour ride from Philadelphia to Washington, on St. Patrick's Evening, there were quite a number of people out on the highway that shouldn't have been there.

My second question is: Could you describe very, very briefly the status of your tire work, in looking at the safety needs of tires, and whether or not you are satisfied that you have a handle on the particular problem?

Ms. CLAYBROOK. The minimum safety standard for tire safety was issued in 1967 for all tires produced or sold in the United States, and must be complied with. The only recent tire that has not conformed to that standard is the Firestone tire, and you're well aware of that activity.

I believe that that standard should be reevaluated because it was issued at a time when we really didn't sell radial tires in this country. And so we intend to do that in the next year, particularly because of the Firestone case.

In addition, we recently put out a uniform tire quality grading requirement. This requires the tire manufacturers, when they sell a tire, to give it a grade so that the consumer can tell how it performs in terms of treadwear, traction, and heat build-up. So, for the first time consumers will have some technical information about tires available to them.

As a result of this particular program, a lot of tire testing is going on today that has never gone on before. In terms of allocation of resources and priorities, I think we are doing a relatively

good job. I am sure we could do more if we had more money, but that's always the case.

Mr. EDGAR. I would like to commend you for your work on the tires. I happen to have automobiles that have Firestone tires and I have had a great deal of difficulty with them. I know it is not just one company, but it's a problem of safety and a very important piece of equipment on the automobile.

Ms. CLAYBROOK. I think what happened was the reaction to the Michelin tire and other foreign radial tires that were gaining a large market in this country in the early seventies. Our tire industry then decided to immediately start producing large numbers of radial tires, putting them on cars as original equipment. When they did that, some of them did not take sufficient care in the tire design, and I think that really was what happened with the Firestone tire.

Mr. EDGAR. Are there any other additional issues, like the tire issue, that are on the horizon that you would like to note for our committee, safety issues that you think both the Congress and the administration should be sensitive to in the future?

Ms. CLAYBROOK. With the increase in the death rate and in the number of deaths, we have to look very carefully at what remedies we can apply to try and reduce those numbers. The impact on the American family of auto accidents is astronomical; there are three times as many people killed in auto accidents each year as there are murdered in this country. You look at the allocation of resources for motor vehicle safety and it is relatively meager by comparison.

What we have been attempting to do is to look at those areas where there has been a major increase, for example, in the motorcycle area, where we have done a lot of studies. I have taken the position that there should be State laws requiring motorcycle helmets, a controversial area. But I decided that I really had no choice because most of the people being killed in motorcycle crashes are young men under 30 and they simply do not have the judgment, unfortunately, to wear helmets as do most other motorcycle riders.

We have also been attempting to upgrade vans and light trucks because of their increasing popularity. They are now no longer just delivery vehicles and work horses; they are also family vehicles and recreational vehicles. So we want very much to bring those up to par with the automobile safety provisions.

In the area of large trucks, we still have a series of dilemmas, so I can't really tell you all the solutions there. But we certainly are looking at some of them, particularly as they relate to the capability of the truck driver to control the truck and his own personal needs, with this being his workplace.

And then there is no question that the 55-mile-an-hour speed limit is one of the major benefits to highway safety. We just simply have to do a better job of helping the public understand how terribly important this provision is.

Mr. EDGAR. One final thing.

Getting back to my first question, do you have statistics—you mentioned the point of summer weekends—are there statistics kept in terms of holiday weekends and summer weekends to indicate

which weekends and which timeframes during the year are the most traffic prone?

Ms. CLAYBROOK. The summer months are the times when we have the most traffic. That's when the most gasoline is used, in the warm weather. There's no question about that.

Mr. EDGAR. Could you provide for the record some statistics in that area, for, let's say, the last 2 years?

Ms. CLAYBROOK. Surely.

Mr. EDGAR. Thank you.

[The following was received for the record:]

(NHTSA SUBMISSION FOR THE RECORD)

Motor-Vehicle Deaths on Major Holidays, 1961-1977

Year	Memorial Day		Fourth of July		Labor Day		Thanksgiving		Christmas		New Year's	
	Immed. Deaths†	Total Deaths	Immed. Deaths	Total Deaths	Immed. Deaths	Total Deaths	Immed. Deaths	Total Deaths	Immed. Deaths	Total Deaths	Immed. Deaths	Total Deaths
1961	462 (4)*	580	509 (4)	635	386 (3)	515	...	...	523 (3)	700	337 (3)	450
1964	431 (3)	575	510 (3)	680	535 (3)	715	...	...	596 (3)	800	474 (3)	630
1965	490 (3)	655	557 (3)	740	574 (3)	765	...	...	720 (3)	960	562 (3)	750
1966	542 (3)	720	577 (3)	770	636 (3)	850	...	...	600 (3)	800	468 (3)	620
1967	608 (4)	760	732 (4)	915	606 (3)	810	...	...	684 (3)	910	372 (3)	500
1968	628 (4)	790	616 (4)	770	688 (3)	915	764 (4)	960	231 (1)	355	170 (1)	260
1969	597 (3)	800	609 (3)	810	612 (3)	815	696 (4)	870	603 (4)	755	481 (4)	600
1970	391 (2)	560	540 (3)	720	612 (3)	815	651 (4)	815	504 (3)	670	454 (3)	610
1971	557 (3)	740	635 (3)	850	616 (3)	820	600 (4)	750	645 (3)	860	456 (3)	610
1972	585 (3)	780	760 (4)	950	602 (3)	800	679 (4)	850	595 (3)	790	451 (3)	600
1973	539 (3)	720	192 (1)	295	559 (3)	750	542 (4)	680	520 (4)	650	446 (4)	560
1974	392 (3)	520	549 (4)	690	516 (3)	690	496 (4)	620	204 (1)	310	194 (1)	300
1975	425 (3)	570	508 (3)	680	407 (3)	540	394 (4)	490	412 (4)	515	402 (4)	502
1976	455 (3)	610	523 (3)	700	526 (3)	700	508 (4)	630	441 (3)	590	339 (3)	450
1977	456 (3)	610	574 (3)	770	469 (3)	630	498 (4)	620	390 (3)	520	338 (3)	450

Source: "Immediate" deaths, Press Associations; "Total" deaths, NSC estimates.

† "Immediate" deaths include only those which occurred by midnight of the last day of the holiday period. "Total" deaths include immediate deaths plus an estimate of delayed deaths—those which occur within twelve months after the day of accident (they are charged back to the day of the accident).

* Figures in parentheses show number of full days in each holiday period. Deaths are for these days plus the last six hours of the preceding day.

Both deaths and death rates are higher during holidays than they are during comparable nonholiday periods. For traffic deaths, the number that occurred during five holidays (excluding Thanksgiving) over the three years 1975-1977 was 16 per cent higher than what would have been normal for nonholidays at the same time of the year. Over these same holidays, vehicle travel was 4 per cent higher. Because deaths increased more percentage-wise than travel, death rates average 9 per cent higher during the holidays.

Part of body injured. Head injuries alone were reported most frequently for all injured persons, but head injuries in combination with internal or other injuries were reported most frequently for fatally injured persons, according to 1977 data from the Oklahoma Department of Public Safety.

The table below shows the per cent distribution of injuries by severity for municipal and other areas and the percentage of injuries by part of body for each severity in both areas. The figures include injuries to pedestrians and pedalcyclists as well as vehicle occupants.

Part of Body Injured by Severity of Injury, Oklahoma, 1977

Part of Body	Total	Severity of Injury			Possible injury
		Killed	Incapacitating Injury	Non-Incapacitating Evident Injury	
Municipal†	100.0%	1.8%	18.4%	30.9%	48.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Head	37.8	20.4	30.9	42.7	37.9
Trunk - external	2.6	0.4	2.1	1.7	3.4
Trunk - internal	2.7	5.9	8.6	3.5	14.2
Arm or leg	20.6	0.8	16.7	18.6	24.0
Head and internal	5.7	16.9	8.0	5.5	4.6
Head and other	19.1	52.1	27.3	23.3	12.2
Internal and other	4.5	3.5	6.4	4.7	3.7
Other‡	100.0%	5.9%	35.8%	28.8%	29.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Head	30.6	20.1	24.2	40.4	30.8
Trunk - external	2.5	*	1.6	2.2	4.2
Trunk - internal	10.3	4.7	9.5	3.6	18.9
Arm or leg	15.3	*	11.6	15.5	22.8
Head and internal	7.9	20.8	9.5	6.5	4.9
Head and other	27.1	51.8	35.6	25.9	12.9
Internal and other	6.3	2.6	8.0	5.9	5.5

Source: Oklahoma Department of Public Safety.

* Less than 0.05 per cent.

† Municipal includes all publicly maintained streets and highways within incorporated areas which maintain a police agency; excludes turnpikes and interstate highways.

‡ Other includes turnpikes and interstate highways and all publicly maintained streets and highways not included in Municipal.

Mr. HOWARD. The gentleman from Louisiana, Mr. Livingston.
Mr. LIVINGSTON. Thank you, Mr. Chairman.

Ms. Claybrook, in your statement you refer to the innovative project grants, and you point out that in section 407 the Secretary is mandated to devise criteria and procedures for making and administering the grants. You state you are developing the necessary guidelines, procedures and criteria.

Would you like to comment on that, in view of a letter I have, which I would like to make a part of the record, dated February 12—

Mr. HOWARD. Without objection, so ordered.

Mr. LIVINGSTON. Thank you, Mr. Chairman.

[The following was received for the record:]



U.S. DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
WASHINGTON, D.C. 20590

12 FEB 1979

IN REPLY REFER TO:

NAD-02

Mr. D. Paul Sondel
Director of Research
and Special Projects
Automobile Owners Action Council
1411 K Street, N.W.
Washington, D.C. 20005

FEB 14 1979

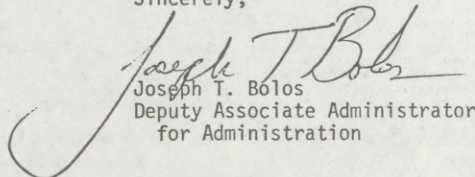
Dear Mr. Sondel:

This responds to your letter to Secretary Adams dated February 1. The letter contained an offer to meet with you to discuss a sole source contract for providing us assistance in establishing criteria for innovative grant awards.

Such projects, while authorized in the Surface Transportation Act of 1978, have not been funded. If we receive an appropriation, then we would establish criteria and would welcome comments from organizations such as AOAC on whatever we developed. Until that time I believe any discussion would be premature.

Please let me know if I can provide you additional information.

Sincerely,


Joseph T. Bolos
Deputy Associate Administrator
for Administration

Mr. LIVINGSTON. In this letter, from Joseph T. Bolos, Deputy Associate Administrator for Administration of the Department, he points out that there is no appropriation under this section, admittedly, and he says, in essence: "If we receive an appropriation, then

we would establish criteria and * * *” and he also says: “Until that time I believe any discussion would be premature.”

In view of his letter can you tell me if, in fact, you are developing criteria or developing procedures, or are you simply letting this thing go by the boards until you get an appropriation?

Ms. CLAYBROOK. We are taking some initial steps to take a look at what criteria, guidelines and procedures would be necessary. The Congress may decide on its own to appropriate money, and if it did, we would want to be prepared to carry out the program.

I believe at some future point money will be requested under this program, and so I don't think it's a waste of our energy to do it. I happen to be a very strong advocate of the concepts laid out in this section of the statute, and I would like to see us be able to use them.

Mr. LIVINGSTON. But are there any official guidelines that have been promulgated, or are you merely thinking about them in case you're ever funded?

Ms. CLAYBROOK. We are merely thinking about them, doing some very preliminary work.

Mr. LIVINGSTON. On page 12 of your statement you refer to the seatbelt study, and I understand the Secretary was to send a study over to the National Academy of Sciences, or a proposal, and that proposal has only been received within the last 10 days. Yet, according to our sources at the National Academy of Sciences, the proposal has been around for roughly 6 months.

Can you tell me what caused the delay in this?

Ms. CLAYBROOK. Mr. Shuster mentioned the same issue, and I think it has only been 4 months since the statute was enacted. But nevertheless, it is important to say that what we wanted to do was to draw up a good proposal and to look at the other work that had been done in this area, we do not want to just simply duplicate the other work but, rather, extend it beyond that.

We are very anxious to have this work done. We have looked at some other public information programs such as in the smoking area, and have seen some value in it. In the seatbelt area, a number of different things have been tried and have not been terribly successful. So we are very anxious to have an analysis prepared on this, and one done by the National Academy of Sciences.

Mr. LIVINGSTON. Are you running into any specific problems, such as contract procurement, or are you having problems with the study design?

Ms. CLAYBROOK. No.

Mr. LIVINGSTON. Do you have any specific policy problems?

Ms. CLAYBROOK. No, we do not. We're enthusiastic about the study and anxious to have it get started.

Mr. LIVINGSTON. Thank you very much, Ms. Claybrook. And thank you, Mr. Chairman.

Mr. HOWARD. The gentleman from California, Mr. Lewis.

Mr. LEWIS. No questions, Mr. Chairman.

Mr. HOWARD. Thank you.

Thank you, Miss Claybrook. I have just one final thing, and this member wishes to talk with you concerning the budgets for this

year, the supplemental 1979 and the 1980 budget, or the utilization of money.

I would like to state that the Department of Energy has estimated that increased compliance—and we know we don't have a great compliance with the 55-mile-an-hour speed limit—but increased compliance with the 55-mile-an-hour speed limit would save an additional 100,000 barrels of petroleum per day, over the 225,000 barrels already being saved. The dollar value of the crude oil saved would be about \$545 million annually, and direct savings to the consumer would be over \$1 billion per year, at September 1978 prices. This would make a significant contribution toward fighting inflation.

I was going to ask you, in light of these facts, isn't the administration's decision not to fund the 55-mile-an-hour enforcement and 55-mile-an-hour incentives contrary to our national energy and inflation policy. But I will not ask that question.

I will merely state that I believe, in light of these facts, that the administration's decisions not to fund the 55-mile-an-hour enforcement and 55-mile-an-hour incentives provisions is contrary to our national energy and inflation policies.

I would like to state, despite the hassles of the afternoon, so to speak, I believe and I feel, with the connection I have had with your agency, that you and your staff are doing an excellent job. In every connection I have had with them, I feel they are vitally concerned about the responsibilities in highway safety and are not just talking and studying, but acting, and that they will be able to act even more effectively if they have the funds available to do so, to comply with the safety mandates of the Congress.

I feel there ought to be more funds, so that you can operate more efficiently, but I do not believe the budget is particularly your idea or that of your staff. Maybe I could say that if we had a secret ballot and voted on what the budget of your agency ought to be, that it might be a little bit different from the one we have as the official administration's budget.

I want to thank you for the work and cooperation you have given to the committee, and for your work and that of all your people on behalf of safety.

Thank you very much for coming this afternoon.

Ms. CLAYBROOK. Thank you, Mr. Chairman.

Mr. HOWARD. As we stated earlier, the Secretary of Transportation could not be here. The President summoned him to a very important energy meeting at Camp David with the President and many of the Nation's leaders.

We may be able to have the Secretary answer some questions and to discuss things later. But the Secretary has asked that his statement, which had been prepared for this afternoon, be made a part of the record. And without objection, it will be made a part of the record at this time.

[The following was received for the record:]

STATEMENT OF SECRETARY OF TRANSPORTATION BROCK ADAMS

Mr. Chairman and Members of the Subcommittee, I am pleased to again have the opportunity to appear before this committee. This is my first appearance before you since the enactment of the Surface Transportation Assistance Act of 1978. Although we did not always agree on the methods to achieve a more rational, responsive and

efficient transportation system, I believe that the vigorous and open debate which accompanied the passage of the Surface Transportation Assistance Act resulted in a major step forward in national transportation policy.

For the first time Congress and the Executive Branch have focused on total surface transportation needs and solutions. For the first time we now have a surface transportation act; not a highway act or a transit act.

We jointly identified major transportation goals and this legislation has given us the tools to implement them.

STA ACT ACCOMPLISHMENTS

One major program goal was to accelerate completion of the Interstate System. The Interstate System is one of our greatest transportation assets with benefits to the economy, to interstate commerce and to public safety. Accelerating its completion will not only close essential transportation links but all allow us to shift our resources to preserve and upgrade our total federal-aid highway infrastructure. As Karl Bowers reported to you, states are already taking advantage of the acceleration provision in the 1978 Act and we believe that the 1983 decision deadline can be met. As of March 15, eight states have already used Interstate discretionary funds, obligating over \$430 million above their normal apportionments. Our preliminary estimates show that by the end of the fiscal year, 16 states will obligate approximately \$1 billion of Interstate discretionary funds.

I was also particularly pleased that the Congress took a step toward equalizing the federal participation ratio for Interstate construction projects and substitute transit or highway alternatives. This will help to diminish the distortion on local decisions to build or withdraw urban Interstate segments that can result from unequal federal participation ratios.

Another major improvement in the new legislation is the provision to increase funding transferability between the primary and urban programs and the primary and secondary programs. Again this will increase state and local flexibility to tailor transportation decisions to transportation needs.

In our transit program, many routine expenditures for bus or bus-related capital needs will now be funded out of our formula-allocated Section 5 program. This will assure local governments of a more predictable source of funding, will simplify the application procedure, and will be an important contribution in fostering better planned, more cost effective bus procurements. The "maintenance of effort" requirement in the Section 5 program has also been changed so that transit authorities that succeed in reducing operating costs without reducing service levels are not penalized by having their eligibility for Federal funds reduced.

The 1978 Act also enables us to participate in the transit component of the President's new Urban Initiatives program to revitalize our urban centers, and to undertake a new Small Urban and Rural Public Transportation program which will improve the access of people in non-urbanized areas to health care, employment, shopping, education and other important facilities. Both of these new initiatives address important transportation needs and I commend the Congress for recognizing these needs and authorizing their implementation.

BUDGET PHILOSOPHY

I also think it important to point out that the Surface Transportation Assistance Act will enable us to effectively redirect our efforts to meet changing priorities and the new challenges before us in the coming years. With the maturing of our surface transportation system and growing energy concerns, we are moving through a period of transition—from a time of building, developing and expanding our transportation facilities to a accommodate steady growth, to a time when the major emphasis must be to better manage the system we have and prevent its deterioration. We simply must get the most that we can out of our existing investment in all transportation facilities as we pay more attention to the side effects of what we do on the shape of our cities and on our environment.

The Fiscal Year 1980 budget which we have proposed reflects this philosophy. As you can see from the chart before you, since Fiscal Year 1974, the combined total of obligations for our highway programs, transit programs and NHTSA State and Community Highway Safety program has just about doubled, from around \$6.5 billion in fiscal year 1974 to over \$12.2 billion in our fiscal year 1980 budget proposals. During this period, the Department's budget has grown faster than inflation and has contributed to a significant expansion of our transportation facilities.

Chart B shows that similar growth patterns can be seen in the Federal Highway Administration's total obligation rate which has increased by over 60 percent since

Fiscal Year 1974 from around \$5.3 billion in Fiscal Year 1974 to an estimated \$8.5 billion in Fiscal Year 1980. As you can see, most of this growth has occurred in our Federal-aid Highway account. We estimate that Federal-aid Highway obligations will total \$8.4 billion in Fiscal Year 1980 which will be the highest level in its history.

The next chart portrays UMTA capital funding from section 3 and the newly authorized bus formula grants under section 5. Obligations have increased from \$870 million in fiscal year 1974 to an estimated \$1.5 billion in fiscal year 1980—an increase of 72 percent.

Even more dramatic growth can be seen in UMTA sections 5 and 17 operating funds which have increased from nothing in fiscal year 1974 to an estimated \$1.075 billion in fiscal year 1980.

The NHTSA section 402 obligation rate shows the same kind of growth, increasing by 161 percent in the same period.

These charts point out that our surface transportation programs have, on the whole, experienced significant growth which has raised our obligation totals to unprecedented levels.

In developing the fiscal year 1980 budget, however, especially tough choices had to be made. The major increases in federal spending of previous years had to be slowed down. Inflation has, in fact, become the most severe challenge facing the Nation. Containing it effectively is now the President's number one domestic priority and that fact clearly had to be controlling in formulating his fiscal year 1980 budget. My role in developing that budget was to present a balanced and accurate picture of transportation needs and the benefits that added federal spending in this area can produce. The President then made the larger judgments of funding priorities among equally compelling and demanding needs. Those are tough calls indeed, which require weighing our transportation programs against those for education, employment, defense, social services, and all the other activities that serve important national purposes.

In making our recommendations for the Department's budget, we had to make the same sort of balancing decisions among programs for highways, transit, aviation, and railroads. I believe we made sound proposals, mindful of the President's broad fiscal objectives and the national needs which our grant, operating, and other programs help to meet.

I firmly believe that the budget that resulted from this decision process is sound and responsible. Although in fiscal year 1980 outlays for Federal transportation programs will continue to grow, the rate will be less than it has been in the past several years. This pause in the upward trend will allow us to concentrate and reinforce our efforts to complete and rehabilitate the Interstate System, to take significant steps in improving the Nation's deteriorating bridges, to consolidate safety construction programs, to develop energy savings programs, to revitalize and modernize existing transit capacity, to implement a new Urban Initiatives program, and to continue major new rail transit construction in Atlanta, Miami, Buffalo and Baltimore.

This is also a forward-looking budget which enables us to start moving towards our future role of maintaining and making better use of our transportation system. The fiscal year 1980 request would increase Federal-aid highway obligations—the heart of our highway program—to \$8.4 billion, the highest level in our history. We expect that UMTA capital and operating obligations will also be at near record levels in fiscal year 1980 which will mean real progress toward the goal of modernizing bus and rail transit systems.

In the future, we estimate that the UMTA capital program for rail modernization in the eight existing rail areas will provide approximately \$2.7 billion over the 5 year authorization—fiscal years 1979 through 1983. Those eight rail areas are also tentatively programmed for an additional \$2.9 billion in both operating and capital funds from section 5. We also plan to obligate \$1 billion nationwide for the Urban Initiatives program and approximately \$2 billion for the continued development of new rail transit projects in the same period.

In addition, we plan to budget approximately \$3.5 billion for Interstate substitute highway and transit projects over the next five years. This amount will complete the entitlements for all existing Interstate transfers as well as enable us to initiate some new transfers, such as the Long Island Expressway and I-495 in New Jersey. Among those eligible for Interstate transfer funds are Boston, \$789 million; Chicago, \$563 million; and Philadelphia, \$168 million.

In shaping this budget obviously some worthwhile programs could not be fully funded or funded at all. We also recognize that programs financed from the general fund are in direct competition with other Federal activities financed from that source. The fact that the budget falls short of fully funding some of the programs

authorized in the transportation area is not, of course, without ample precedent, particularly during this period of fiscal austerity. I believe it is worth noting, for example, that HEW proposed \$3.5 billion for elementary and secondary education grants to the disadvantaged compared to an authorized total of \$6.3 billion. In the same way, EPA's budget includes \$3.8 billion of an authorized \$5 billion for construction grants—and there are many other examples of this. The competition for general fund financing was tough and clearly not all worthy and authorized programs could be financed and still have a non-inflationary budget.

Aside from fiscal constraints there are other reasons why we decided to defer funding of some authorized programs. In the case of the Safer-Off-System Roads program, for example, these projects are primarily the responsibility of states. Off-system projects, however, are fundable through the Bridge Replacement and Rehabilitation, Rail-Highway Crossing, and Pavement Marking programs. In the case of the program for 55 mph speed limit enforcement, this activity is also the primary responsibility of state governments and the federal contribution should be limited. In light of the importance of the 55 mph speed limit for both energy conservation and safety, Federal assistance has been earmarked for this program as part of NHTSA's State and Community Highway Safety program.

In the case of the Highway Beautification program, a funding moratorium is proposed in fiscal year 1980 pending completion of a comprehensive study to reassess DOT responsibilities as well as the basic goals and objectives of the program.

In closing, I would like to once again reiterate a theme which you all have heard many times. That is, in this age of high inflation, Proposition 13, and proposals to amend the Constitution to require a balanced federal budget, the message is becoming increasingly clear that the people are demanding that restraints be placed on federal expenditures. The message which 28 state legislatures are sending to me as Secretary of Transportation and all of you as Members of Congress simply cannot be overlooked. This message says essentially that if we will not act responsibly on our own to reduce federal expenditures, our hand will be forced by a constitutional amendment to balance the federal budget. I think the steps the President has taken in the past two years in partnership with the Congress have moved us steadily in the right direction. We cannot afford not to work together in restoring a level of confidence in our governmental process. This is one of the most serious responsibilities which you and I jointly share.

I am very pleased to have had the opportunity to present this report on our implementation of the Surface Transportation Assistance Act of 1978. I will be happy to answer your questions.

Mr. HOWARD. If there are no other members seeking recognition, the subcommittee will stand adjourned, pending the call of the Chair.

[Whereupon, at 4 p.m., the subcommittee was adjourned, pending the call of the Chair.]

SUBMISSIONS FOR THE RECORD

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 21, 1979.

Hon. JAMES J. HOWARD,
Chairman, Subcommittee on Surface Transportation,
Washington, D.C.

DEAR JIM: In January, I wrote Richard S. Page, Administrator of the Urban Mass Transportation Administration. I understand that Mr. Page appeared before your Subcommittee on Monday.

If the hearing record is still open, I would like to submit the attached. To this date, I have not yet received a response from the Transportation Department.

Very truly yours,

CHARLES H. WILSON.

Enclosure.

JANUARY 26, 1979.

Hon. RICHARD S. PAGE,
Administrator, Urban Mass Transportation Administration,
U.S. Department of Transportation, Washington, D.C.

DEAR MR. PAGE: Now pending before the Urban Mass Transportation Administration is the request of the Southern California Rapid Transit District and the Los Angeles County Transportation Commission for a four year program of major bus improvements. The plan calls for the acquisition of 1,200 new buses over the next three years to replace buses in RTD's present fleet, which average twelve years of age.

In urging your favorable consideration of the SCRTD proposal, I will not address myself to the technical components of their proposal. The plan is sound, and speaks for itself. Rather, I would like to address the need for maintaining and enhancing public transportation in southern California.

Los Angeles and its environs (including portions of Orange, Riverside and San Bernardino Counties) comprises one of the largest metropolitan areas in the country. Yet, even with this massive population, the region is painfully poor when it comes to public transportation. The service of SCRTD, while perhaps lacking the more glamorous equipment of BART and METRO, provides a relatively efficient and working transportation system for the area. Severe hardships and working transportation system for the area. Severe hardships would quickly develop if the system were to be compromised by old equipment. In fact, unless the system is expanded those hardships will likely develop.

As you review the SCRTD program, I urge your favorable consideration and a recommendation for full funding for bus improvements and the 1,200 buses.

Very truly yours,

CHARLES H. WILSON.

STATEMENT OF EUGENE R. ROWLAND

It is a distinct privilege to be able to submit this statement for the record in response to the hearing notice sent out by the Committee.

Since Public Law 95-599, the Surface Transportation Assistance Act of 1978, established a four year multi-billion dollar highway program of unprecedented proportions, the Committee is to be commended in its efforts to keep on top of its progress right from the beginning. It is with this thought in mind that I offer to this Committee this statement dealing with the hydraulic aspects of highway construction, particularly as it relates to drainage inlets.

This Committee was also responsible for moving through the House in the last session of Congress a "pot hole bill" which unfortunately was not taken up by the Senate and therefore did not become law. This statement would be equally appropriate with respect to that legislation since proper attention to hydraulics and drainage is an extremely important consideration with respect to the pot hole problem. It appears that the pot hole situation is getting worse with each successive spring and with the advent of the expanded highway program it would seem that more than ever before the proper drainage is becoming more important.

The thrust of this statement is that minimum hydraulic efficiency standards should be considered in highway construction as well as the existing requirements for selfcleansing properties, bicycle safety, structural strength, sufficient to carry heavy highway loads, and cost factors.

While the Federal Highway system provides the bulk of funds for state highway construction, there is no federally established minimum standard requirement for hydraulic efficiency in grate inlets. A state may, and some do, have high requirements for hydraulic efficiency, while others have standards far beneath that which would best serve the public interest. Cost may be virtually the sole determinant, as to the purchase of grate inlets. When this occurs, those which are more hydraulically efficient are frequently placed at a disadvantage.

When a grate inlet fails to perform at the proper level of hydraulic efficiency, this results in a failure to utilize other drainage pipes and facilities installed in the highway system at the optimum rate. It also causes flooding and inefficient and destructive runoff of waters that should be carried through the grate inlet and on to the designated system of highway drainage. Where pot holes occur, they are aggravated by this excess water flow. Anywhere there is high speed highway traffic, it is endangered when there are inefficient grate inlets. Hydroplaning is one undesirable consequence of inadequate water runoff. Highway users and consumers are entitled to know that at least a minimum quality of performance is required before their funds are expended.

The grate inlet for stormwater interception, which is seen in urban streets and highways, because of its relatively small size and cost as related to the overall aspect of paved trafficways, is all too often given inadequate design attention. The inlets and their related storm drainage conduits or pipes must each have a hydraulic capability consistent with that of the other items. That is, each inlet must be hydraulically capable of introducing into the pipe system the amount of storm runoff assumed contributed to the pipe flow at that point. Experience has shown that in all too many instances, the inlets have not had satisfactory intake capability and, as a result, the underground piping system is not being used to its design capacity. Thus, inadequate inlets can cause the large investment in buried conduits to operate at wastefully inefficient levels. Additionally, hydraulically inadequate inlets can fail to remove water from the pavement quickly enough, thereby increasing the chances for traffic accidents such as hydroplaning.

Five things should be considered in selecting grate inlets: (1) Structural ability to carry heavy loads; (2) bicycle safety; (3) self-cleaning characteristics and ability to pass debris; (4) cost; and (5) hydraulic efficiency. Too often, the design engineer with a multitude of other design problems confronting him, lets item 4 dominate his choice of inlets. Frequently, he lacks reliable information on the hydraulic efficiency of the inlets and relies on subjective intuition with respect to that critical factor.

The hydraulic efficiency of any grated inlet is measured by the ratio of the amount of flow rate intercepted by the inlet (and introduced into the pipe system) to the total flow rate delivered to the inlet.

Several laboratory studies of the efficiency of various grated inlets have been made. Among these are those at the University of Minnesota (1948-49); John Hopkins University (1956); University of Missouri (1966); and for the Federal Highway Administration at the Bureau of Reclamation Engineering and Research Center (1977). Among the valid generalizations supported by the research studies is the fact that curved-vane bars (see Exhibit A, sheet 8) are the most hydraulically efficient and also the most efficient in laboratory tests for debris handling.

The University of Missouri grate inlet studies indicate that placing curved vanes (such as in sheet 8 of Exhibit A) at an angle of 45 degrees with the direction of gutter flow increases the hydraulic efficiency of the grate. The high hydraulic efficiency of this same 45-degree curved-vane grate (Rowland grate) was corroborated in tests made in 1967 by the Canadian Federal Highway Authority. This 45-degree curved-vane grate is also bicycle-safe.

Exhibit A has been prepared from the data and information in the inlet grate studies made for FHWA in 1977. Note that the grate shown on sheet 4 of 10 is not bicycle-safe (its longitudinal bars are on 1½ inch centers) but is very efficient hydraulically and was used by the studies as a base for hydraulic comparison with the other grates.

Sheets 1 and 2 of Exhibit A show for short grates (2 feet wide by 2 feet long) very significant differences in hydraulic efficiency between the various grate configurations. A designer having available any of these seven grates certainly would choose Fig. 10-1 or Fig. 12-1 if he had knowledge of the relative hydraulic efficiencies. Even small cost differences should not militate against the hydraulically influenced choice.

It is clear that with long grates such as 2 feet wide by 4 feet long, the hydraulic efficiency differences between the various configurations of grates become much less as shown on sheet 3 of Exhibit A. The increased hydraulic efficiencies are all achieved at the cost of the additional length of grate (plus additional costs of the larger inlet structure required).

CONCLUSION

Throughout these United States there are a great variety of grated stormwater inlets used in the cities, counties and states. The hydraulic and debris efficiencies of these covers the spectrum from very poor to very good. In view of the demonstrated critical part played by the hydraulic efficiency of the inlet in the total storm drainage system, it is in the public interest that leadership be evidenced by the federal agencies to insure the use of the best current technical knowledge to obtain cost-effective urban and highway storm drainage. The federal technical leadership is aware of the problem but implementation by overall policy is not evident.

It would not seem unreasonable to require all city, county, state and federal agencies with primary responsibility for the design and implementation of storm drainage facilities to utilize the best available technical design information to justify their choice of inlet details for any specific project. Self-interest dictates that for any untested inlet grate configuration, tests similar to those made in the Bureau of Reclamation studies for FHWA in 1977 should be made, particularly for hydraulic and debris efficiency.

In the immediate future a survey of cities, counties and states might be made collecting information from each concerning the technical details of the grate inlets used in its jurisdiction. Most practically, this might start with an accumulation by FHWA of all such information from each state highway department. A study of the results of such a survey should suggest where persuasive education might be desirable.

Any initial cost differential between hydraulically efficient inlet grates and those with lesser efficiencies is not significant in the overall cost of storm drainage facilities. The overall drainage cost for highways is often a quite significant 20 percent of the total highway cost.

Careful attention to the seemingly minor detail of proper hydraulic design of storm drainage inlets can lead to very significant improvements in the cost-effectiveness and safety of entire systems of stormwater management.

This is not a plea for establishment of the highest possible standards.

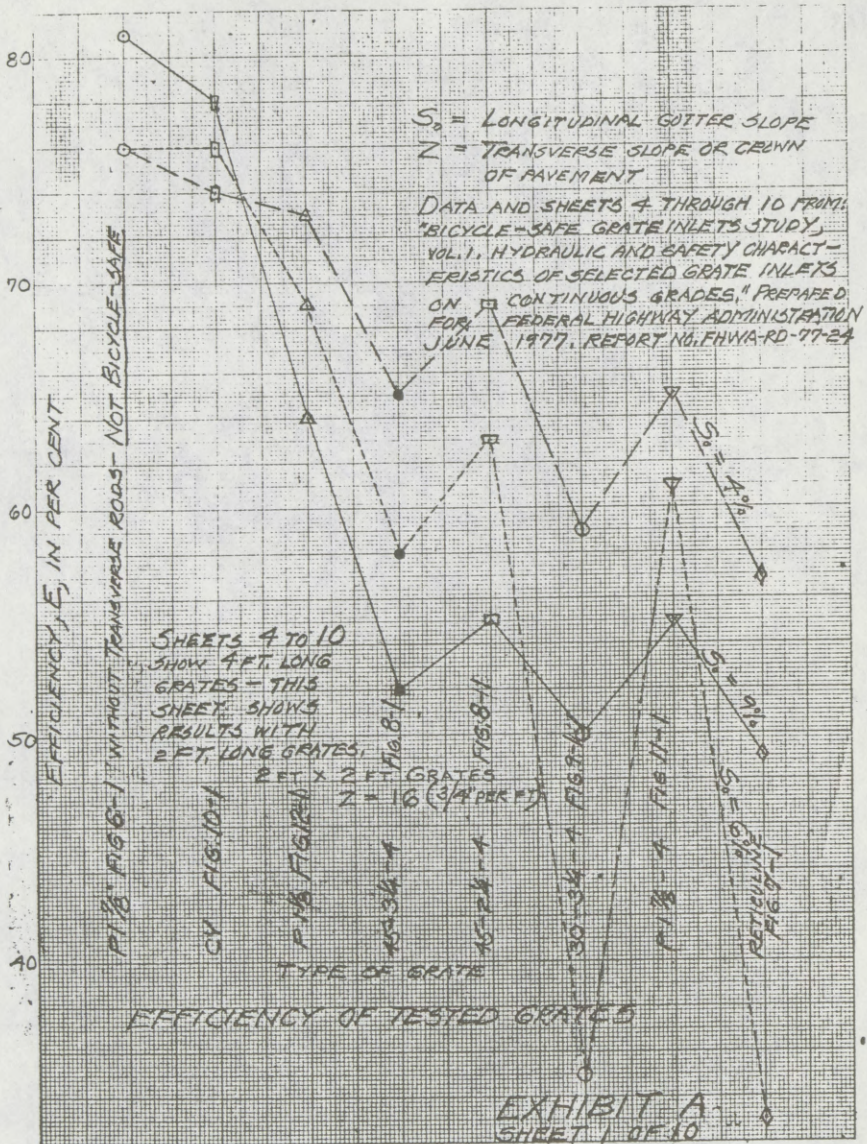
This is not a plea to require all states to change their standards of hydraulic efficiency of gate inlets.

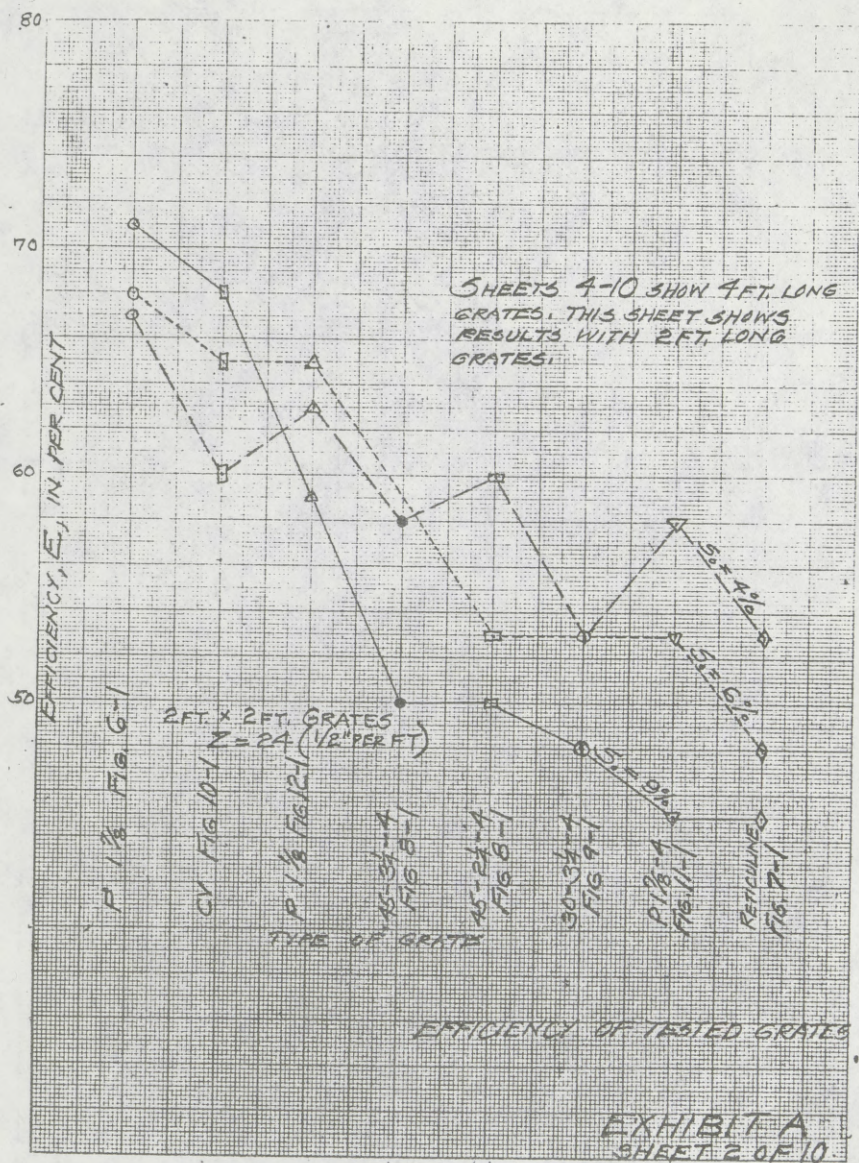
This is simply a suggestion that hydraulic efficiency of grate inlets is an important factor in highway construction that now receives insufficient attention.

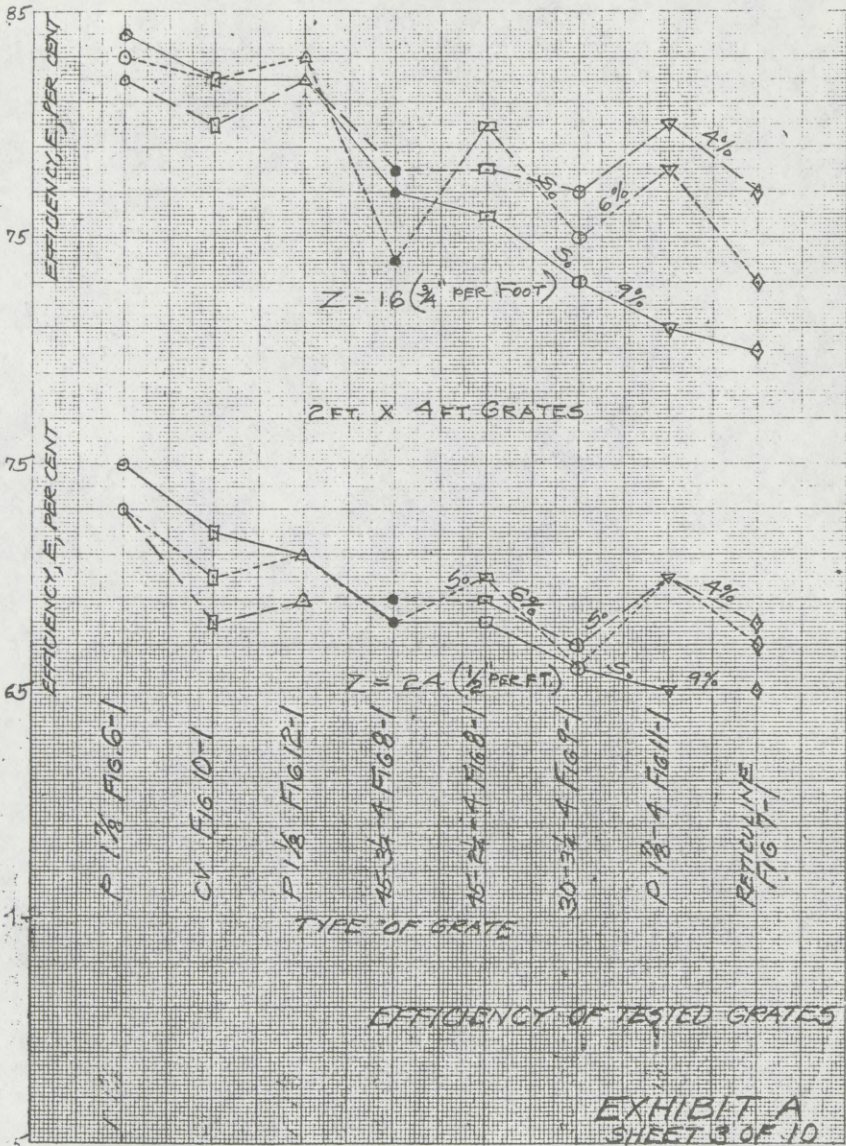
The new and expanded highway program which originated in this committee should be carried out applying the best available technology. In those instance where this is not being done, in this case drainage inlet design, appropriate steps should be taken to create an incentive to improve quality and safety in highway construction.

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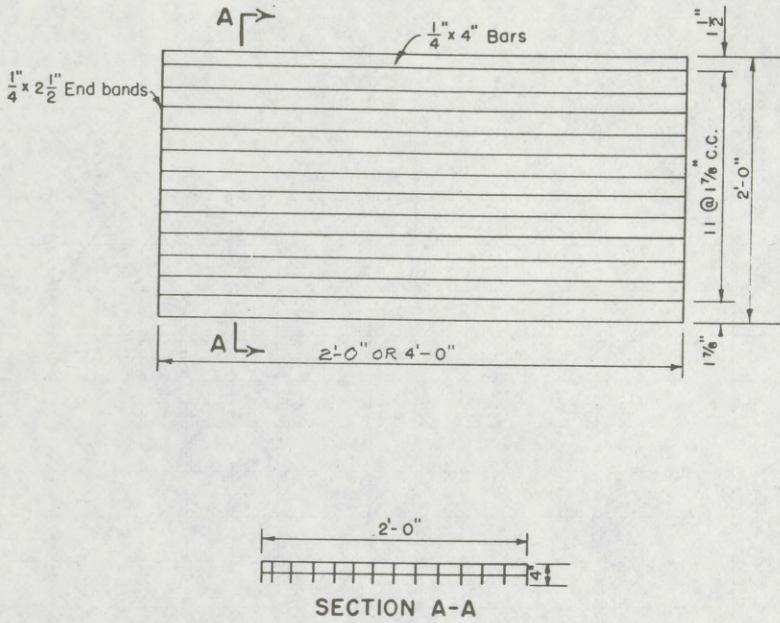


Figure 6-1. - 2 ft by 4 ft (0.61 m by 1.22 m) fabricated steel parallel bar grate.

EXHIBIT A
SHEET 4 OF 10

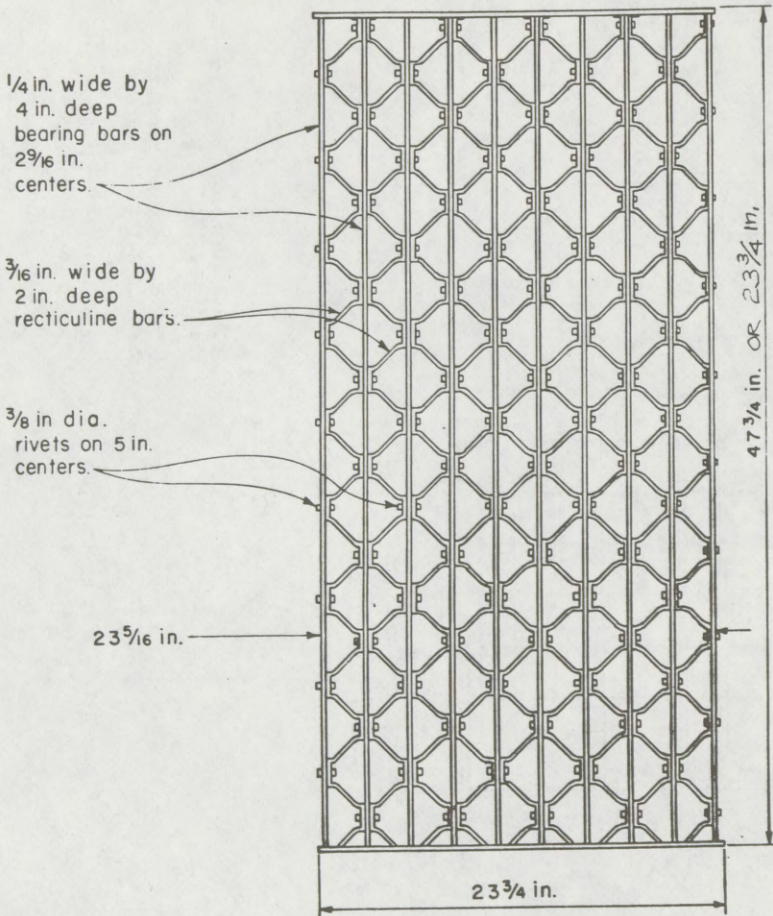


Figure 7-1. - 2 ft by 4 ft (0.61 m by 1.22 m) steel fabricated reticuline grate (Note: 1 in = 25.4 mm).

EXHIBIT A
SHEET 5 OF 10

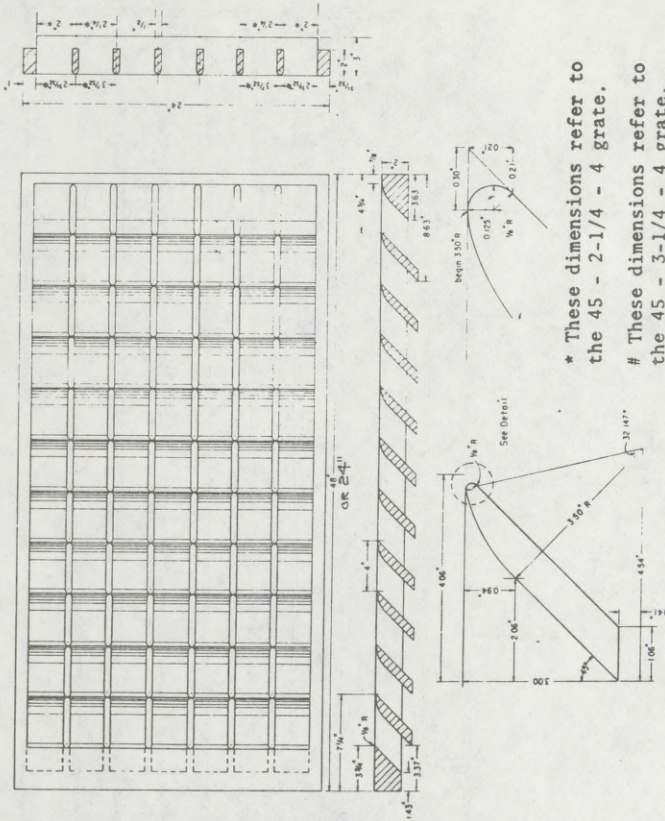


Figure 8-1. - 2 ft by 4 ft (0.61 m by 1.22 m) cast 45° tilt-bar grates
(Note: 1 ft = 0.305 m, 1 in = 25.4 mm).

EXHIBIT A
SHEET 6 OF 10

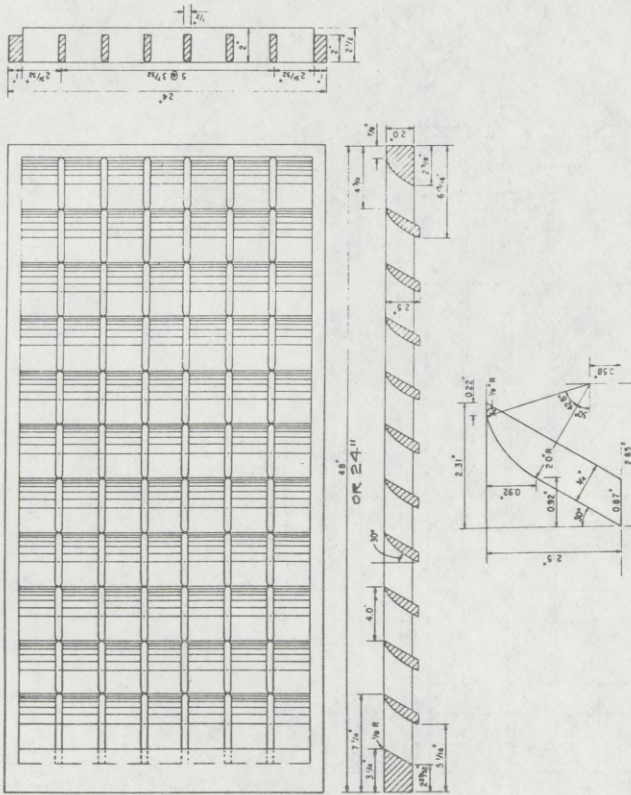


Figure 9-1. - 2 ft by 4 ft (0.61 m by 1.22 m) cast 30° tilt-bar grate (Note: 1 in = 25.4 mm).

EXHIBIT A
SHEET 7 OF 10

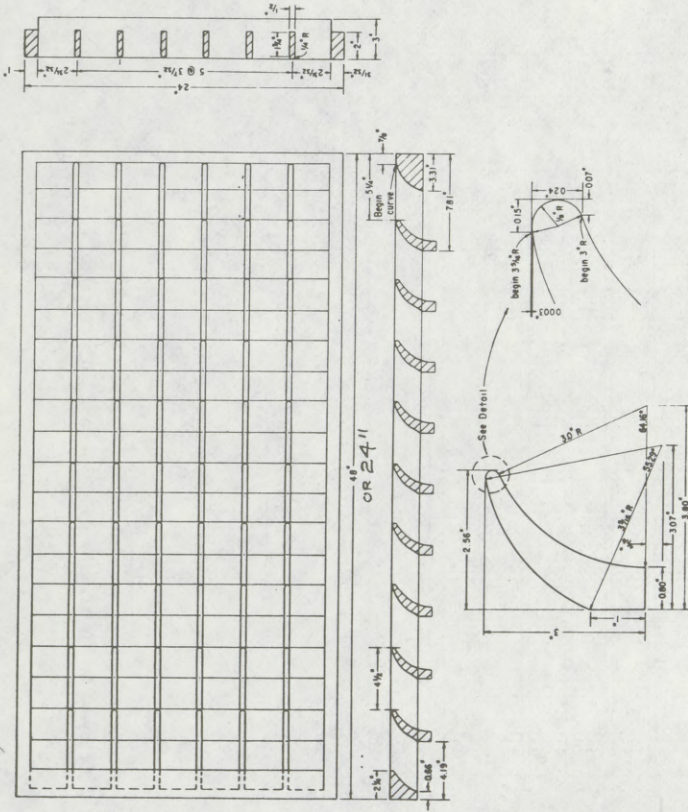


Figure 10-1. - 2 ft by 4 ft (0.61 m by 1.22 m) curved vane grate (Note: 1 in = 25.4 mm).

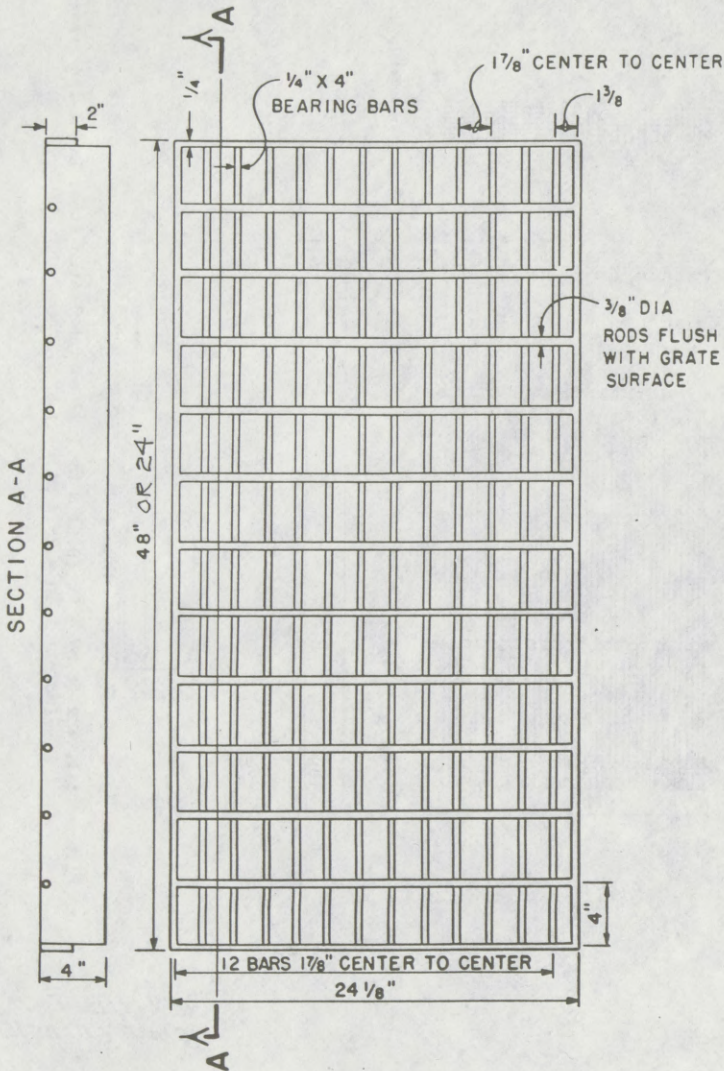


Figure 11-1. - 2 ft by 4 ft (0.61 m by 1.22 m) fabricated steel
P - 1-7/8 - 4 grate.

EXHIBIT A
SHEET 9 OF 10

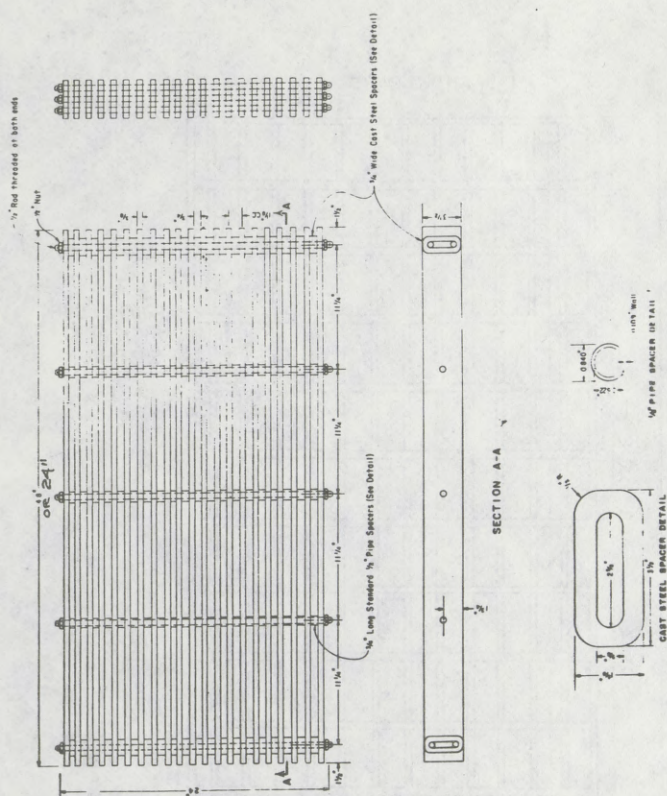


Figure 12-1. - 2 ft by 4 ft (0.61 m by 1.22 m) fabricated steel P - 1-1/8 grate
(Note: 1 in = 25.4 mm).

EXHIBIT A
SHEET 10 OF 10

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 9, 1979.

HON. BROCK ADAMS,
Secretary of Transportation,
Washington, D.C.

DEAR MR. SECRETARY. Attached are questions to which we would appreciate receiving answers for incorporation into the record of the oversight hearings held March 14 and 19 on implementation of the Surface Transportation Assistance Act of 1978.

The testimony of your modal administrators at the hearing was most helpful to our understanding of the implementary strategy. Also contributing to the success of the hearings was the substantial amount of written material submitted by your Department in advance at the Committee's request. These materials proved so helpful, in fact, that we would appreciate their being updated for the Committee on a monthly basis.

Naturally, we regret that your schedule made it impossible for you to participate as planned. We, therefore, look forward to receiving your replies to our written questions for the record.

Sincerely,

HAROLD T. (BIZZ) JOHNSON,
Chairman.

Question 1. Last summer, more than a year the beginning of the fiscal year, and in the very early stages of the budget process, the President announced the overall deficit for fiscal year 1980 of \$29 billion. This was done before the budget process had hardly begun.

Question 1a. Isn't it unusual for the deficit to be announced at such an early stage, before economic trends may be evident or before programmatic needs may have been clearly defined?

Answer. It is not unusual for the President to make announcements on the parameters of his budget in the early stages of planning for the budget year. Preliminary planning for the budget year is conducted in the Executive Office of the President in the spring and by early summer the general outlines of the budget have been developed. These plans are of course subject to revision later in the budget process following more intensive reviews. The President's announcement of a projected deficit of \$29 billion for fiscal year 1980 in the early stages of the budget process is thus the result of preliminary planning based upon assumptions at the time on anticipated revenues to the government, outlays for Federal programs, and the effect of this fiscal policy on the economy.

Question 1b. When did OMB provide the Department with its "mark" for fiscal year 1980?

Answer. OMB provided the Department with a "target" for fiscal 1980 on July 6, 1979. This differs from a "mark" in that the Department was given the opportunity to propose its program at a higher level if this appeared necessary.

Question 1c. Was this before or after individual Administration budget requests had been submitted to the Department?

Answer. This was before individual Administration budget request had been submitted to the Department.

Question 1d. If DOT received its "mark" before each Administration had submitted its budget request to the Department, was each Administration provided with a "mark"?

Answer. Each Administration was provided with a "target" by the Department.

Question 1e. How was each Administration's "mark" determined?

Answer. The "target" essentially reflected a current services base (i.e., the funds required to continue the Administrations' ongoing programs in the budget year assuming no new initiatives) adjusted for known or contemplated changes in program.

Question 1f. Were Agency requests higher than their assigned "marks"?

Answer. Agency requests were higher than assigned "targets." The Administrations were instructed that they could submit proposed programs above their "targets" for the Secretary's consideration.

Question 1g. How did you determine where and by what amount cuts would be made?

Answer. Under the Zero Budget process, I ranked the units of the Department's total program with the assistance of my staff, generally following the priority of ranking of the individual units of each of the Administrations. After a careful

review, I determined the level which I felt was both consistent with the President's fiscal policy and at which the Department's program could be operated effectively. Program units falling outside my established Departmental level on the ranking lists were then disapproved.

Question 2. Testimony at the hearings suggested that the decision not to request funding for the safer off-system program was made by FHWA. Yet, written material submitted by DOT in advance indicated that FHWA requested funding for the program but it was deleted at the OST level. Please clarify the apparent inconsistency. The assertion has been made that the safer off-system program activities can be financed by other programs. Please substantiate this assertion on the basis of actual operating experience.

Answer. During the development of the FY 1980 budget, funding for the Safer Off-System Roads (SOS) program was included in preliminary FHWA program levels. However, in order to stay within overall program level which was set to meet the Administration's goal of achieving constrained spending ceilings, it was determined by OST and FHWA that the SOS program lacked sufficient priority to be included in the FY 1980 budget.

Funds authorized for several other Federal-aid highway programs may be used to undertake projects off the Federal-aid system. These programs are the Rail-Highway Crossings Program (Section 203 of the Highway Safety Act of 1973, as amended), the Pavement Marking Demonstration Program (23 U.S.C. 151), and the Highway Bridge Replacement and Rehabilitation Program (23 U.S.C. 144).

These types of improvements have amounted to approximately 25 percent of the SOS program obligations. Actual operating experience has shown that SOS program funds have been obligated in the following manner:

[In percent]			
Bituminous road surfacing.....	43.0	Guardrail.....	2.0
Bridges	24.0	Rail-highway crossings.....	1.0
Gravel road surfacing.....	7.0	Traffic signals.....	1.0
Drainage structures.....	4.0	Pavement markings.....	.2
Traffic signs	4.0	Other	13.8

Question 3. The Surface Transportation Assistance Act requires that at least 50 percent of safer off-system roads funds be spent for low cost safety improvements, that is, for elimination of roadside obstacles and correction of high hazard locations.

Question a. In the past, FHWA has been a strong supporter of this, program and these types of safety improvements on local roads. Is this the DOT position?

Question b. Are projects to eliminate roadside obstacles and improve high-hazard locations on off-system roads eligible for Federal assistance under programs?

Question c. In light of FHWA support for this program and in light of the fact that off-system safety improvements are not eligible for funding under other programs, how do you justify not requesting any funding for the safer off-system roads program?

Answer a. Although the Department of Transportation (DOT) recognizes the need for safety improvements on local roads, it is the position of OST and the Federal Highway Administration that the Safer Off-System Roads (SOS) program does not rank sufficiently high in priority for inclusion in the 1980 budget. Similarly, there are no plans to request a supplemental appropriation for Fiscal Year 1979. In developing the budget for Fiscal Year 1980, the Administration imposed rigid spending targets on itself. Even though the 1980 budget for the Federal Highway Administration is the largest ever, it nevertheless is austere in the sense that it calls for reductions below 1979 program levels in some areas, eliminates funding for other programs, and does not request funds for several of the newly authorized activities.

Answer b. Projects to eliminate roadside obstacles and improve high-hazard locations on off-system roads are not eligible for Federal assistance under other programs. However, 25 percent of past SOS program obligations have been for activities eligible under other FHWA programs. These programs are Rail-Highway Crossings Program (Section 203 of the Highway Safety Act of 1973, as amended), the Pavement Marking Demonstration Program (23 U.S.C. 151), and the Highway Bridge Replacement and Rehabilitation Program (23 U.S.C. 144).

Answer c. In view of the rigid spending ceiling established for the FY 1980 budget, the fact that some types of activities undertaken with SOS funds will continue to be eligible for funding under other Federal-aid programs as discussed above, and State and local capability and responsibility in funding off-system road construction, the DOT and FHWA have determined that funds for the SOS program would not be included in the FY 1980 budget.

Question 4. With regard to the funding issue (i.e., which programs fell above the budget mark line and which fell below), what criteria were used by FHWA in determining where a program was placed on the list of priorities?

Answer. The principal criteria used in recommending budgetary allocations for the various programs were the degree to which the program—

Reponds to a national problem of general character and applicability.

Involves a special Federal responsibility.

Provides for State/local needs with flexibility in use.

Responds to needs not adequately covered elsewhere.

Has potential for significant safety and economic benefits.

As a consequence of applying these factors, the major Federal-aid programs were given a higher priority and ranked to ensure that some acceptable level would survive under budget constraints.

Question 5. With regard to safer off-system roads program, what impact will the lack of funding for FY 1979 have on local decisionmaking in communities where projects have been planned, budgeted and perhaps commenced?

Answer. \$305 million has been appropriated for the Safer-off-System Roads (SOS) program since its inception in 1976, including \$15 million for FY 1979. This compares with an authorization level over the same period of \$600 million. The limited availability of SOS funding for FY 1979 will clearly have an impact on decisionmaking in local communities in terms of the funding of highway improvements. Projects which have received construction approval by the Federal Highway Administration will not be affected since this approval action constitutes a commitment of Federal funds. Other projects in the planning or design stage will need to be funded from other sources. As noted previously, some planned projects may be funded from other Federal-aid highway programs (see answer to question 3.b.). The types of improvements being accomplished under the SOS program have traditionally been funded from State and local sources and this funding option remains available.

Question 6. The Administration has included nothing in its FY 1980 budget for outdoor advertising control. Without funding, how will the administration be able to comply with the Congressional mandate reaffirmed in the last Act that just compensation be provided for the removal of nonconforming outdoor advertising signs? How will the Administration in good conscience be able to sanction any State for non-compliance with the just compensation requirements if it does not participate financially in meeting those requirements? What source of funds will the Administration draw from to make bonus payments to the 25 States which currently prohibit outdoor advertising along the Interstate System under the 1958 Bonus Act? In short, how can the Highway Beautification Act and the 1958 Bonus Act continue to be implemented if no funding is being provided?

Answer. The Congressional mandate in the Highway Beautification Act with respect to just compensation (Section 13(g)) is not that money must be spent, but that signs must not be removed without the payment of just compensation. Thus if funds are not available to pay for the removal of signs, the signs simply are not removed. This has always been the case under the Highway Beautification Program. We have never had enough funds to remove all nonconforming signs at once, and states and sign owners have both had to wait until funds were available. The Highway Beautification Act contemplates that funds will not always be available in full measure. Section 131(n) provides that compensable signs cannot be required to be removed if funds are not available.

Any state that attempts to remove Congressionally protected signs without payment of required compensation would be subject to the penalty, regardless of whether funds are available. Read together, that is what sections 131(g) and (n) require.

There is no alternative source of funds for the payment of bonus claims by those States which currently control outdoor advertising adjacent to the Interstate System under the 1958 Bonus Act. Any bonus claims made during the time when funds are not available will be deferred until such time as funds are available. The Highway Beautification Act can be implemented without such removal funds.

The heart of the Act is not the compensation or bonus provisions, but the basic requirements that states prohibit by statute the erection of new signs in certain areas, and that they enforce such prohibitions by removing, without compensation, signs illegally erected. Even without funds to pay for the costs of removing legal, nonconforming signs, the states must keep their existing sign control programs in force and assure that they are enforced. As to the bonus, states eligible for it would still receive bonus funds when they are made available.

Question 7a. In the President's budget the backlog in the Federal-aid Highway account will increase from \$5.7 billion in FY 1978 to \$6.3 billion in FY 1980. What public purpose is served by increasing the backlog in these programs?

Answer. The "backlog" of \$5.7 billion and \$6.3 billion as shown in the President's budget for '78 and '80 respectively is the unobligated balance carried forward into the next fiscal year. The unobligated balances exist not because of constraints placed on the States by the Administration, but rather because of a variety of other factors which include: (1) States' inability to provide appropriate matching funds; (2) Environmental problems; (3) Community dissension on proposed highway projects; and (4) States' inability to utilize funds in the particular categories for which they become available. After the enactment of each major highway authorization bill, it takes a period of time to arrange construction schedules to enable the States to obligate the various fund authorizations for the program categories emphasized by the Congress. Short term attempts to reduce the unobligated balances in effect forcing or encouraging the obligation of all Federal-aid Highway funds the first year they are available, may be counterproductive, by limiting States' multi-year planning and programing capability that is built into existing law.

Question 7b. What are the department's long-term plans to reduce the unobligated balances in these programs?

Answer. Although the Department generally agrees with the four-year availability of highway construction authorizations, some States are having difficulty utilizing their Interstate Highway Apportionments whereas other States could obligate at a much faster rate than apportionments allow. The interstate acceleration provision of the 1978 Act allows for the redistribution of interstate apportionments remaining unobligated at the end of two years. This allows the faster moving States to obligate funds and tends to reduce the overall unobligated balance of Federal-aid Highway funds.

The discretionary bridge fund also tends to reduce unobligated balances in that this fund provides immediate funding for very costly bridge projects that a State would otherwise be required to accumulate several years apportionments to build.

The States, collectively, have now geared up to accommodate the new authorization levels, and over the four year period covered by the 1978 Act, we project that unobligated balances will be reduced significantly. It should be noted, however, that although we have encouraged the States to accelerate obligation rates over the past few years, they have yet to approach the obligation limitation established during the regular budgetary process.

Question 7c. Please provide an estimate of the unobligated balances in these programs for each of the next five years.

Answer. Based on our latest estimate of obligations for FY 1979-1983, the resulting unobligated balances in the Federal-aid Highway account for the end of fiscal years 1979 through 1983 are as follows:

[Estimated unobligated balance]

Fiscal year:	Millions
1979.....	\$5,202
1980.....	5,401
1981.....	5,449
1982.....	4,036
1983 ¹	0

¹ Since highway projects are authorized only through fiscal year 1982, the estimated unobligated balance at the end of fiscal year 1983 assumes no new highway authorizations will become available in fiscal year 1983 except for Interstate Highways.

Question 7d. Also, please provide an estimate of the balance in the Highway trust fund for each of these five years.

Answer. The estimated balances in the Highway Trust Fund for the end of fiscal years 1979 through 1983 are as follows:

[Balance]

Fiscal year:	Millions
1979.....	\$12,977
1980.....	14,139
1981.....	14,467
1982.....	14,695
1983.....	16,271

Question 8. What is the effect of deficits on the economy? Are deficits sufficiently inherently and inevitably so harmful from an inflationary standpoint as to argue against ever drawing down the balance in the Trust Fund?

Answer. The balance in the Highway Trust Fund exists solely so that the fund can satisfactorily meet its obligations (in effect compensating for differences be-

tween expected future revenues and unpaid commitments) not because of overall Federal deficit spending policies.

Basic statutory provisions governing the fund prohibit commitments in excess of its expected resources. Although the balance in the Fund on March 31, 1979, was approximately \$12.4 billion, its outstanding commitments (fiscal year 1980 and prior Interstate authorizations, fiscal year 1979 and prior non-Interstate authorizations) not yet paid totaled \$23.7 billion. In short, when revenues are compared with outlays, there is a current surplus. However, when revenues are compared with outstanding authorizations, there is a deficit.

Question 9. What is the effect of capital investment in transportation facilities and equipment in terms of its effect on the unit costs of providing transportation services?

Answer. The most important economic effects of capital investment in transportation facilities and equipment have their impact in the marketplace for transportation services where the highway and transit modes provide both the means for moving a significant portion of the Nation's output between producers and consumers and the mobility necessary for working, shopping, and recreation trips. By promoting the development of an effective transportation infrastructure, these investments add to productive capacity and pay long term dividends in terms of reduced operating expenses and travel times for motorists and reduced transport costs for business and industry. By thus reducing the unit costs of providing transportation services, transportation investments lead to improved productivity and lay the groundwork for increasing the economy's full employment potential. In recent years, greater attention has shifted to capital investments in the replacement and rehabilitation of highways to preserve and improve the efficiency of our existing transportation infrastructure. These investments are frequently the most cost effective approach to meeting transportation needs.

Question 10. Do you have any measures of this economic impact, differentiated as between Interstate, primary, secondary, and urban construction, bridge replacement and reconstruction, and RRR work on Federal-aid highways?

Answer. Capital investments influence unit costs of providing transportation services through their role in improving the performance of the highway system. While we have no direct measure of the relationship between capital investments and the cost of providing transportation services on a system-wide basis, the Department of Transportation is developing a performance monitoring system that will greatly improve our ability to measure changes in performance. By observing the effects of alternative programs and policies on highway performance we can move much closer to quantifying the degree to which each functional highway system serves the movement of people and goods safely, efficiently and economically. The new Highway Performance Monitoring System will monitor performance on all functional systems and will assess direct impacts such as system condition, usage, safety, comfort and convenience, vehicle operating cost, accessibility and air pollution.

From a national perspective, investments in completing the Interstate System are associated with the greatest potential economic benefits. The Interstate System is the lifeblood of our Nation's commerce and improvements to that system, particularly those that will close essential gaps in the system, will reduce transportation costs and travel times and help insure the efficient development of markets throughout the Nation.

The economic impacts of capital investments in the primary, secondary and urban systems are also of major importance nationally, but the impacts are most significant on a regional and local basis. Investments in these systems improve and develop the infrastructure necessary for regional and local commerce and help insure that accessibility to the national highway system is provided to all potential highway users.

Measurement of the effects of investments in bridge replacement and reconstruction and RRR on the cost of providing transportation services also requires an estimation of the influence of these investments on highway performance. While the new performance monitoring system will not look at these programs in isolation, their effects will be measured as part of the overall change in system performance. Because these types of investments are intended to preserve and restore deteriorating parts of the highway system, they will provide substantial economic benefits to highway users in terms of reduced transportation costs and improved safety.

Question 11. Will your cost allocation study shed any light on these questions?

Answer. The major purpose of the cost allocation study is to determine the costs occasioned in design, construction, rehabilitation and maintenance of Federal-aid highways by the use of vehicles of different dimensions, weights, and other specifications, and by the frequency of such vehicles in the traffic stream. The study will also investigate the proportionate share of highway costs attributable to each class

of persons and vehicles using the highways and look at the need for continuous monitoring of roadway deterioration to determine the relative damage attributable to traffic and environmental factors. These studies will lead to recommendations of alternative tax structures that will more nearly achieve an equitable distribution of the tax burden among classes of study users.

Although the cost allocation is not primarily intended to determine the effects of highway investments on unit costs of providing transportation services, some of the subsidiary studies that will be conducted as part of the overall cost allocation study effort will shed some light on this question. Among other things, these studies will investigate levels of user costs and the direct and indirect benefits of the highway system. While the study will utilize data gathered from all highway systems, the results will not be stratified by system. As I mentioned in response to the previous question, the intent of the Highway Performance Monitoring System is to provide performance information on a functional system basis. This monitoring system should shed a great deal of light on the effects of capital investments in highways on the ability of the functional systems to serve the movement of people and goods safely, efficiently and economically.

Question 12. At the oversight hearings it was pointed out that selection of highway projects (within Federally-established criteria) has been a state decision. Further, it was suggested that regulations concerning urban transportation investment appear to shift the focus of decision-making from the state to the Federal levels. In response, the FHWA pointed out that approval of the Environmental Impact Statement in all matters is a Federal responsibility. Is it not correct, then, to infer that the effect of the regulations would be to link the Federal EIS approval authority to the alternatives analysis requirement in such a manner as to expand Federal authority with respect to project selection at the expense of state authority.

Answer. We do not view the proposed regulations on major urban transportation investments as an expansion of Federal authority at the expense of State authority. Selection of highway projects (within Federally-established criteria) remains a State decision. The major investment policy, which is one of a number of Federally established criteria, seeks to insure that States develop cost-effective transportation solutions. The definition of cost-effectiveness being added to the regulation is broad enough to assure a proper balance of local, State and national goals in funding decisions on major highway and mass transit proposals.

The major investment policy as proposed does link up with the EIS process and does condition EIS approval to the cost-effectiveness analysis of alternatives (CEAA), but without intent to expand Federal authority. The cost-effectiveness analysis is closely linked to the EIS in substance in that the effectiveness portion of the CEAA includes to a large extent the basic effects and impacts summarized in the EIS.

Question 13. The Secretary has stated repeatedly that an objective of Federal transportation policy should be to get people out of their cars and into public transit. He is thereby discouraging the development of urban highway corridors. Does this not also ignore the value of dedicated bus and carpool lanes which offer tremendous potential for energy savings, making the policy contradictory?

Answer. This policy is specifically intended to emphasize the value of dedicated bus and carpool lanes as well as other transportation system management type improvements which offer real potential for energy savings. This is exemplified by the joint FHWA/UMTA Major Urban Transportation Investment Policy and Procedure statement of December 7, 1978, which will require the analysis of such management type alternatives before the FHWA can approve new construction or extension or major widening of urban freeways which would only provide more vehicular system capacity. For example, the December 7 statement notes, "Among the options that should be considered are priority treatment of buses and carpools, metering of traffic flow on highway ramps, and transit route and schedule revisions." In addition, the FHWA procedures section notes, "The overriding consideration of urban improvements should be the movement of people and goods, not the movement of vehicles."

Question 14. On December 7, 1978, the Department issued proposed regulations requiring an analysis of alternatives in support of proposed major urban highway and mass transit investments so as to meet "local and national goals and objectives" in a cost-effective manner. The language in the proposed regulation is rather vague. Could you be more explicit as to how these decisions will be made.

Answer. First, let me say that we are modifying the phrase "local and national goals and objectives" to read "local, State and national goals and objectives" (emphasis added). We fully intended State goals and objectives to be included by use of the term "local". However, because of the confusion expressed in the comments on the NPRM, we decided to be more explicit.

We view the process as one in which the Metropolitan Planning Organization in cooperation with the State and local operators of publicly owned mass transit will continue to develop proposals for federally-funded highway and transit improvements in accordance with local, State and national goals and objectives which are developed as part of the transportation planning/project development process. The regulations will require that proposals for Federal assistance be supported by a cost-effectiveness analysis of alternatives to demonstrate that the alternative proposed for Federal funding is cost-effective in meeting local, State and national goals and objectives. The initiation of projects and selection of preferred alternatives will remain the responsibility of the implementing agency. The Federal role will be in certifying the technical adequacy of the cost-effectiveness analysis of alternatives and concurrence that the required alternative is cost-effective prior to Federal participation in the proposed investment.

Question 15. It is my understanding that every major urban highway project will be evaluated in light of its impact on center cities, and that if the positive impacts do not outweigh the negative impacts the project will not be approved. Isn't this focus too narrow? Shouldn't the analysis take into account all costs and all benefits to whomever they accrue?

Answer. I recently announced five policy objectives which are further explained in the answer to question 23. Our Major Urban Transportation Investment Policy is a part of the general initiative to revitalize urban areas. The proposed regulation requires a cost effectiveness analysis, of alternatives which " * * * take into account all costs and all benefits to whomever they accrue * * *" Center city revitalization will be an important factor to be balanced against other local, State, and national goals.

Question 16. Some of the States have complained the proposed regulations will add time, complexity, duplication and most importantly, cost to the development of major urban projects. Would you care to comment?

Answer. We do not believe the regulation requires duplication. While alternatives are being analyzed to varying degrees by a number of urbanized areas as part of the continuing, comprehensive and cooperative (3C) planning process, these analyses generally evaluate long-range transportation system alternatives and do not focus on the alternative corridor improvement that are needed to meet local, State and national goals and objectives in a cost-effective manner. To the extent that an urbanized area fulfills requirements of the Major Urban Transportation Investment Policy as part of the 3C planning process, additional analysis will not be required.

We believe that in most areas delays and increased costs, if any, will be minimal and more that outweighed by improved project development procedures and more cost-effective projects. The requirements are basically already in effect for mass transit proposals and there should be no additional delays in transit proposals. While there is a potential for additional cost for project delays for highway proposals, we have sought to minimize such costs by integrating the procedures with existing FHWA planning and EIS requirements and through judicious use of grandfathering provisions. The cost-effectiveness analysis will normally be developed within the time necessary for developing the environmental impact statement.

Finally we believe that the procedures will help expedite the project development process in corridors designated for joint administration. By assisting in the early identification and resolution of issues at the local, State and national level, conflicts which sometimes occur later in the project development process and result in extensive re-analysis can be dramatically reduced.

Question 17. In view of Executive Order 12044, on improving government regulations, how can you propose this new regulation which many of your commenters complained is not understandable and needs clarification?

Answer. The Department received extensive comments on its NPRM (over 90 responses totaling more than 300 pages). Many of the comments request clarification and indicate an uncertainty over the Department's intentions. We are now working on the final regulation which will address these uncertainties and we are confident the final regulation will be a significant improvement over the NPRM.

Question 18. I thought the President's order was to reduce regulation. Certainly, that was the recommendation of the FHWA Regulations Reduction Task Force in 1977. Yet, this regulation is a step in the other direction, isn't it?

Answer. The Department fully supports the President's Executive Order 12044 on improving government regulations. We are working very hard to make our regulations understandable. Sometimes this is a challenging task, given the complexity of the statutes we work with. We are also making every effort to eliminate unnecessary regulations. But we think that this is a necessary regulation to effectively administer major mass transit and highway projects, especially when the Federal

Government is asked to fund these in the same corridors. Therefore, we do not think that we are taking a step backward.

Question 19. When it was reviewing its regulatory process as a result of the task force recommendations, FHWA revised the Section 4(f) clearance procedures, as well as the EIS procedures, to cut out some of the red tape. Doesn't this Major Urban Transportation Investment policy restore red tape, rather than taking it away?

Answer. We do not believe that the major investment policy restores "red tape". As we noted in the response to the question on duplication and delay, we believe the proposed policy will improve the project development process by requiring more explicit consideration of the cost-effectiveness of the relevant alternatives. We have been very aware of the President's policy to minimize regulatory "red tape" in designing this regulation, and have made every effort to integrate it with existing environmental review and transportation planning regulations. In terms of timing, it is expected that the cost-effectiveness analyses will be developed within the time necessary for developing the environmental impact statement and will not cause any delay.

We believe that the result of this regulation will be more effective and efficient transportation investments.

Question 20. It has been suggested that this is just another means for eliminating urban Interstate projects which opponents haven't succeeded in killing locally. Would you care to comment?

Answer. This proposed regulation is not designed to provide any additional avenues through which to eliminate or "kill" urban interstate projects. It is instead intended to improve the decisionmaking process for urban transportation investments by improving the coordination between FHWA and UMTA in the project development process and by requiring more explicit consideration of the cost-effectiveness of the relevant alternatives.

We believe this is especially appropriate in these times of rapidly escalating costs and constrained fiscal resources.

Question 21. The whole philosophy of this policy could be interpreted that Washington is in a better position to decide what Federal projects ought to be financed in an urban area because Washington is better able to determine where Federal dollars should go than the local people. Please comment.

Answer. The philosophy of this policy is that transportation funds must be invested wisely. The regulations are designed to improve transportation investment decisions at all levels. The cost-effectiveness analysis of alternatives required will be a coordinated effort of State and local transportation officials. The information generated through such an analysis will assist them in selecting their preferred alternative. The Federal review team's role is to assure that the analysis includes the evaluation measures we need at the Federal level to make the decisions which we must make if we are to carry out the programs with which Congress has charged us.

Question 22. Mr. Secretary, you recently stated that "there is increasing evidence that a preponderance of this investment (\$80 billion on transportation projects in America's cities) was badly spend—invested in a way that did not build cities but destroyed them." (a) Please expand upon these remarks. (b) More specifically, what cities do you have in mind? (c) What "evidence" are you referring to? (d) What studies have been conducted by DOT to substantiate this statement? Please provide the Committee with any such studies, reports, or memoranda.

Answer. The purpose of these remarks was to make the simple point that Federal transportation investments in many cities in the past—like those in other sectors—were often made without overall development plans and, therefore, may have had some unintended impacts. It is a more complex issue now than it was 20 years ago. We have learned that transportation facilities not only serve users, but help to shape city and suburban development and have other impacts not always clearly recognized in early urban transportation planning.

We have come a long way in understanding that the development—and decline—of urban areas is very much affected by accessibility factors, as well as other factors such as housing quality, income, and a certain "dynamic" in neighborhood change. What we have learned is that transportation investments in our current scarce economy may need to be more carefully tailored to non-transportation factors such as energy consumption and urban development plans, and that the Federal Government should be sure that areawide impacts of alternative transportation facilities are looked at carefully. We should be assuring ourselves that if a city wishes to target economic development in selected areas as part of a regionwide development strategy, transportation investments are looked at in terms of those plans and objectives. That is why we encourage alternative and impact analysis in the design of major facilities.

The "evidence" of some poor transportation investment decisions simply refers to the current perceptions of some that we may have been too quick to accommodate the basic American preference for low-density living and the private automobile. As rising real incomes made it possible for households to pursue these goals, they did so by moving out of older cities built in higher-density patterns and not suitable to intensive ownership of private autos. The older cities of the northeast, for instance, simply could not accommodate these preferences. Thus in hindsight if cities had wanted to "save" themselves from this rapid movement "out", they might have had second thoughts about accommodating these trends through improved transportation facilities to accommodate the auto.

In addition, some researcher such as the Rand Corporation have developed theories that suggest that many Federal policies have been biased in favor of suburban growth, not city renovation.

Question 23. Mr. Secretary, you recently announced five policies which will guide the Federal investment in urban transportation.

- (a) Please describe these policies in detail.
- (b) How will they be implemented?
- (c) Has any guidance been issued to FHWA, UMTA, or the States regarding these policies? If so, please provide copies.
- (d) Has any draft guidance been prepared? If so, please provide copies.
- (e) What is the statutory basis for each policy? Please be specific.

Answer. (a) Our five policy objectives are:

1. Use of transportation funds as a magnet to support the general revitalization of central cities, with particular attention to joint development opportunities and compatibility with local land use goals.
2. Discouragement of unnecessary use of scarce energy resources through urban sprawl and lengthy auto commuting, and encouragement of ridesharing and transit use through such devices as special bus and carpool lanes.
3. Significant steps to assure that those adversely affected by an urban project benefit from the construction of the project itself by such means as the establishment of reasonable percentages of contract funds and jobs for minorities and others affected.
4. Use of Federal dollars to repair and improve existing facilities as an alternative to building new facilities. The law and our budget constraints both require serious examination of such alternatives.
5. Analysis of tradeoffs between highway and transit investments where these investments are in the same corridor or otherwise compete for scarce Federal resources.

Answer (b). To a great extent, these urban objectives enunciated emphasize existing statutory and regulatory requirements, and will be implemented in the same way. For example, FHWA regulations implementing the National Environmental Policy Act (42 U.S.C. 4321 et seq.) require a consideration of impacts on land use and patterns of social and economic activities that may be stimulated or induced by proposed projects, 23 C.F.R. 771.18(i)(1). Similarly, urban transportation planning regulations, 23 C.F.R. Part 450, require that the planning process include the consideration of transportation systems management in order to increase the efficiency of urban transportation systems. Those elements of the decision-making process will simply be given greater attention.

The five policy objectives reflect significant national urban and energy conservation considerations that affect the provision of coordinated and efficient transportation services. Since our grant-in-aid programs are essentially cooperative Federal-State/local efforts, the Secretary has asked the UMTA and FHWA Administrators to prepare a program that will ensure that state and local officials are fully aware of our objectives and that these issues are fully addressed in the planning and Environmental Impact Statement processes.

Answer (c). UMTA, FHWA and the Office of the Secretary have issued the following policy statements, regulations, and program guidelines which are related to the five policies: Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964 (49 C.F.R. Part 21); Relocation Assistance and Land Acquisition for Federal-Federally-Assisted Programs (49 C.F.R. Part 251); Relocation Assistance (23 C.F.R. Part 740); Environmental Impact and Related Statements (23 C.F.R. Part 771); Process Guidelines for the Development of Environmental Impact Statements (23 C.F.R. Part 795); Planning Assistance and Standards (23 C.F.R. Part 450); Urban Initiatives Program—Program Guidelines (44 F.R. 21580, April 10, 1979); Major Urban Mass Transportation Investment Policy (41 F.R. 41512, September 22, 1976); Joint Major Transportation Investment Policy (NPRM, December 1978); guidelines and regula-

tions establishing the Minority Business Enterprise Program (DOT Order 4000.7A, 1978).

The FHWA has forwarded the attached memorandum to its field offices asking for information on ways to implement the policies through present procedures.

Additionally the Secretary has requested that the FHWA and UMTA Administrators provide suggestions on ways to pursue these objectives.

Answer (d). Has any draft guidance been prepared?

No draft guidance has been prepared.

Answer (e). Statutory basis.

The five policies are based on the Secretary's inherent authority to determine the manner in which the statutes he is charged with administering should be implemented, consistent with the congressional intent. In that sense, the statutory authority for all five policies is found in the Department of Transportation Act and in title 23 generally, particularly, 23 U.S.C 315. The policy objectives the Secretary has chosen to emphasize, however, are all based on concerns expressed by the Congress in various legislative enactments. More specifically:

1. Title 23 has long emphasized compatibility with local plans; section 134, which requires 3C planning in urban areas, was added precisely for that purpose. Section 134 was amended by section 169(a) of the STA Act to require that transportation plans and programs involve "due consideration to comprehensive long-range land use plans, development objectives, and overall social, economic, environmental, system performance, and energy conservation goals and objectives, and with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population." This section also specifically addresses alternative transportation system management strategies and stresses the goal of more efficient use of existing transportation facilities. Similarly, see section 305(b) of the STA Act. (P.L. 95-599).

Section 109(a) of title 23, U.S.C., prohibits the Secretary from approving proposed projects that fail to provide a facility designed and constructed in accordance with standards best suited to conform "to the particular needs of each locality". Community urban planning goals and objectives are also addressed in section 109(h) (consider possible "disruption of desirable community and regional growth"); and in section 128(a) (were highway projects bypass or go through cities, towns or villages, plans must be consistent with the goals and objectives of the community's urban planning).

Joint development is referred to in section 111, which permits the Secretary to authorize a state or political subdivision to permit the use of highway airspace for other purposes. Additionally 302(a) of the STA Act authorizes the Secretary to assist state and local public bodies in financing joint development transportation projects.

2. Implementation of energy conservation measures is addressed in several sections of title 23. Section 134, as amended, requires the consideration of energy conservation goals and objectives; section 137 authorizes the Secretary to approve FAUS projects for fringe and corridor parking facilities. Section 142 authorizes the Secretary to approve exclusive or preferential bus lanes and fringe and transportation corridor parking facilities, including shelters. Section 146, as amended, authorizes the Secretary, among other measures, to approve projects designed to encourage the use of carpools and vanpools in order to conserve energy.

The UMTA Act, as amended, contains similar references: section 5(d)(2) authorizes the Secretary to issue such regulations as he deems necessary to "improve the efficiency" of transit services; and section 8(a) requires the consideration of energy conservation goals and objectives.

3. A major thrust of title 23, the UMTA Act, NEPA, the Civil Rights Act of 1964, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1964 are to protect those persons who are adversely affected by a federally-assisted project. For example, the CEQ regulations implementing NEPA require environmental statements to discuss mitigation measures which include rectifying the impact by rehabilitating the affected environment and compensating for the impact by replacing or providing substitute resources or environments. Similarly, FHWA regulations governing environmental impact statements require that adverse environmental effects be mitigated where possible.

4. The repair and improvement of existing facilities is authorized by section 101(a) (construction includes resurfacing, restoration and rehabilitation), section 134 (more efficient use of existing facilities), section 135 (TOPICS), section 144 (highway bridge rehabilitation), section 146 (enhance the use of existing highways, and section 402 (highway safety construction) of title 23, United States Code.

5. The fifth objective—an analysis of tradeoffs between highway and transit investments in the same corridor—is and implementation, in part, of the following sections of title 23: section 109 (highway facilities must meet traffic needs and

conditions in a manner conducive to safety, durability, and economy of maintenance); section 134(a) (planning process must consider alternative transportation systems management and investment strategies to make more efficient use of existing transportation resources and to meet needs for new transportation facilities); and sections 103(e)(4) and 142 (use of funds apportioned for highways for certain nonhighway projects).

APRIL 6, 1979.

Memorandum to: Regional Federal Highway administrators, regions 1 through 10.
From: Associate Administrator for Planning, Associate Administrator for Right-of-Way and Environment.
Subject: Urban highways.

Several controversial highway projects have drawn high level attention within the Department in the last few months. The reviews and discussions have centered on the President's Urban Policy and our desire to support his policy through transportation decisions.

Three of these projects have been addressed in letters to the States from Headquarters. We are attaching copies of these letters on H-3 in Hawaii, I-476 in Pennsylvania, and I-675 in Ohio for your information.

The letter on H-3 is of particular importance because it expresses the five policy objectives which the Secretary announced in his February 13, 1979, speech at Harvard University. These objectives are:

1. Use of transportation funds as a magnet to support the general revitalization of central cities with particular attention to joint development opportunities and compatibility with local land use goals.

2. Discouragement of unnecessary use of scarce energy resources through urban sprawl and lengthy auto commuting, and encouragement or ridesharing and transit use through such devices as special bus and carpool lanes.

3. Significant steps to assure that those adversely affected by an urban project benefit from the construction of the project itself by such means as the establishment of reasonable percentages of contract funds and jobs for minorities and others affected.

4. Use of Federal dollars to repair and improve existing facilities as an alternative to building new facilities. The law and our budget constraints both require serious examination of such alternatives.

5. Analysis of tradeoffs between highway and transit investments where these investments are in the same corridor or otherwise compete for scarce Federal resources.

Please assure that these five policy objectives are made known to local and State officials responsible for program initiatives so that these objectives are considered in program development.

We invite suggestions from you as to how this policy can best be implemented through present or amended procedures. Would you advise us as soon as possible.

THOMAS M. DOWNS.

Attachments (3).

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 23, 1979.

Hon. GEORGE R. ARIYOSHI,
Governor of Hawaii,
Honolulu, Hawaii.

DEAR GOVERNOR ARIYOSHI: President Carter's urban policy statement, issued last March, is intended (among other objectives) to improve the effectiveness of existing Federal programs affecting urban areas. The Surface Transportation Act, passed by Congress last October, included a number of new provisions which influence the planning and construction of transportation facilities in urban areas by requiring consideration of land use plans and the probable effect of transportation facilities on future urban development. These two new policy directives have led me to initiate an early review of a number of urban transportation proposals which will require action by this Department.

Two major transportation proposals are presently being considered for the Island of Oahu—H-3, the proposed trans-Koolau interstate highway, and a fixed transit guideway system for the City of Honolulu. I, of course, have made no decision regarding either of these projects. However, I am trying to improve the ability of the Department to work with State and local officials in developing transportation projects that fit within the total urban planning for an area. It is critical that these efforts take place well in advance of the time when I must make a final decision and before positions of the community have polarized, leaving very little flexibility to shape the transportation system within local urban planning goals.

Recently, I announced five policy objectives which grow out of the President's effort to develop a coordinated urban policy and which will guide our review of these major Hawaii projects, as well as others around the country. These objectives are:

Use of transportation funds as a magnet to support the general revitalization of central cities, with particular attention to joint development opportunities and compatibility with local land use goals.

Discouragement of unnecessary use of scarce energy resources through urban sprawl and lengthy auto commuting, and encouragement of ride-sharing and transit use through such devices as special bus and carpool lanes.

Significant steps to assure that those adversely affected by an urban project benefit from the construction of the project itself, by such means as the establishment of reasonable percentages of contract funds and jobs for minorities and others affected.

Use of Federal dollars to repair and improve existing facilities as an alternative to building new facilities. The law and our budget constraints both require serious examination of such alternatives.

Analysis of tradeoffs between highway and transit investments where these investments are in the same corridor or otherwise compete for scarce Federal resources.

President Carter's urban initiatives program will be less than fully served if we fail to take a hard look at our existing programs—particularly the long-range implications of intermodal decisions on the overall transportation system in an urban area. I have, therefore, instructed the Urban Mass Transportation Administration (UMTA) and the Federal Highway Administration (FHWA) to see that their regional staffs work jointly with the State and local officials of the State of Hawaii and the City of Honolulu, so that we can all properly analyze the costs and benefits of a total transportation system within the area. This should help avoid the all too common situation where I am asked to approve or disapprove a particular EIS for one mode of transportation in isolation from other modes.

With respect to H-3 in particular, there appears to be serious questions concerning its consistency with State and local planning objectives and policies. The General Plan for Oahu, State planning, and local plans should present a coordinated picture of the relationship between the planning objectives of the city and State and the proposed transportation development. In addition, a thorough evaluation of the "no build" option with emphasis on limited new transportation facilities while upgrading existing transportation corridors and transit improvements is necessary.

I must also note that the two major proposals, the fixed guideway transit system and H-3, would have a combined estimated cost of over \$1 billion. A review of our financial resources over the next few years and our current commitments indicates that we will not be able to commit funds for both projects. Moreover, consistency with State and local plans and development goals must be established for all transportation investments including transit and highway.

The issues involved in the projects I have cited above are serious, and I am calling your attention to them at this time so that they may be carefully addressed by the State and city governments. Representatives of FHWA, UMTA, and my regional and Washington staffs will be available to work closely with you and your planners in addressing these critical issues.

I am sending an identical letter to Mayor Frank Fasi. Copies of this letter are being provided to members of your Congressional delegation who have written to us on this issue.

Sincerely,

BROCK ADAMS.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 23, 1979.

Hon. FRANK FASI,
Mayor of Honolulu,
Honolulu, Hawaii.

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review of a number of urban transportation proposals which will require action by this Department.

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The issues involved in the projects I have cited above are serious, and I am calling your attention to them at this time so that they may be carefully addressed by the State and city governments. Representatives of FHWA, UMTA, and my regional and Washington staffs will be available to work closely with you and your planners in addressing these critical issues.

I am sending an identical letter to Governor George Ariyoshi. Copies of this letter are being provided to members of your Congressional delegation who have written to us on this issue.

Sincerely,

BROCK ADAMS.

U.S. DEPARTMENT OF TRANSPORTATION,
FEDERAL HIGHWAY ADMINISTRATION,
Washington, D.C., March 13, 1979.

Dr. THOMAS D. LARSON,
Secretary, Department of Transportation,
Harrisburg, Pa.

DEAR DR. LARSON: The final environmental impact statement (EIS)/Section 4(f) statement for I-476, Mid-County Expressway, has been the subject of extensive review in Headquarters and the Office of the Secretary. The project, as described in the final EIS/Section 4(f) statement, would be a six-lane freeway through developed portions of Delaware and Montgomery Counties west of Philadelphia. It is intended to serve a number of purposes, including improved north and south access and completion of a beltway-type facility around the Philadelphia metropolitan area.

Because of the controversy surrounding the location and scale of this proposal and its relationship to present urban policy concerns of the Department, several secretarial offices, as well as the Secretary and I, have been involved in reviewing the proposal and in the discussion of problems surrounding the project. Based on these reviews and discussions, I have concluded that it would be inappropriate to request the Secretary's concurrence in this final EIS/Section 4(f) statement until three issues we have identified are further addressed.

The first issue concerns the financial capability of the Pennsylvania Department of Transportation (PennDOT) to proceed with this project. The Secretary's concern about PennDOT's long-range transportation funding difficulties is evidenced in his recent letters to Governor Richard L. Thornburgh, former Acting Secretary of Transportation George S. Pulakos, Representative Doug Walgren, and others wherein he has indicated the need for effective strategies to address these problems so that work can resume on many transportation projects which have been delayed. While Mr. Pulako's December 5 letter to the Secretary described a number of actions PennDOT will take to improve this situation, it indicated that these actions are contingent on necessary revenues being made available to PennDOT.

If approved, this major project would significantly increase the dollar amount of projects delayed for financial reasons. I do not believe, therefore, that the Federal Highway Administration should take any action on this project until evidence is available that State funds will be available to permit the project to proceed in an orderly manner to construction. Further, the present backlog of projects is such that when State funds are made available, PennDOT will be faced with many pressing needs and, of necessity, will have to establish priorities for the obligation of the substantial amount of apportioned Federal funds available in the various categories. A priority need to obligate Federal funds in other categories or to obligate Interstate funds for other projects could further delay this project. Extensive delay on I-476 could raise the issue of adequacy of the EIS/Section 4(f) statement when and if construction is finally authorized.

The second issue concerns the scale of the proposal. The final EIS/Section 4(f) statement indicates that I-476 is intended to provide significant transportation services to the area west of Philadelphia. However, there are substantial concerns on the part of certain Federal agencies, local governments, and organizations about the impacts of the proposal. The alternatives evaluated in the final EIS/Section 4(f) statement include certain design variations, but the impacts and service provided by a lesser-scale facility have not been evaluated.

In view of the substantive environmental concerns about this project which exist in this Department and elsewhere, the traffic service and environmental impacts of a down-scoped project should be explored. Reduction in lanes, design speed, and median width should be considered. Particular attention should be given to the possibility of reducing the size of the interchanges at the several arterials intersected by this project.

The third issue pertains to the interrelationship of this project to the several mass transit routes intersecting the project. The final EIS/Section 4(f) statement addresses this mass transit interface to a limited extent by indicating that I-476 will facilitate access to the mass transit routes. It also discusses two regional fringe parking facilities which are proposed in the vicinity of this project, but indicates that decisions on the lots are independent of the decision on I-476. I am also aware that PennDOT has agreed to undertake a transit interface study when design studies resume on I-476 after approval of the final EIS/Section 4(f) statement.

I believe that I-476 provides the opportunity to increase the utilization of mass transit for commuter travel and reduce lengthy auto commuting if adequate access and interconnections are provided. However, to arrive at the necessary decisions on this matter, an assessment of the feasibility and the impacts of the access and interconnection facilities is needed. This study is needed before action is taken on the

final EIS/Section 4(f) statement so that mass transit interface improvements can be considered in concert with I-476.

I would appreciate your addressing these issues as soon as possible and providing the information indicated. I believe that resolution of these issues is necessary at this stage if the Department is to give adequate consideration to the final EIS/Section 4(f) statement for I-476. My staff is available to further discuss these matters if you desire.

Sincerely yours,

JOHN S. HASSELL, Jr.,
Deputy Administrator.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 23, 1979.

Mr. DAVID L. WEIR,
Director, Ohio Department of Transportation,
Columbus, Ohio.

DEAR Mr. WEIR: A year ago this month President Carter announced this Administration's urban policy, stating that the Federal government must support the continued vitality of the Nation's urban centers. In a proposed amendment to the A-95 review procedures, the Office of Management and Budget is now seeking to focus local governments' attention on this important national objective.

The purpose of this letter is to seek your assistance regarding I-675 as it relates to the continued vitality of Dayton as the core of the Dayton metropolitan area. As you know, the final environmental impact statement for I-675 is under consideration within the Department. Before we make a decision on this proposed highway, we want to assure ourselves that the economic effects of I-675 have been fully considered.

We specifically request the views of the Miami Valley Regional Planning Commission, as the A-95 agency, and its member governments to help answer the following questions:

1. What are the expected benefits and adverse impacts to the City of Dayton of the construction of I-675? In particular, what are the anticipated effects on current business and employment in the city, especially the central business district, and on opportunities for future business and employment growth? In addressing these questions, consideration should be given to possible plans of businesses currently located in Dayton to build in the I-675 corridor if the road is constructed, as possibly reflected in land ownership in this corridor.

2. What will be the likely impacts of the proposed project on lower income residents of Dayton, other socially disadvantaged segments of the population, and minority businesses?

3. What is the relationship of I-675 to the Dayton City Plan and to future development plans of the city?

4. What benefits and possible adverse impacts would the completion of I-675 have on the metropolitan area in general that may reflect directly on the economic and social vitality of the City of Dayton?

5. In light of all the relevant information, including particularly the answers to the above questions, what conclusions does the MVRPC reach regarding the desirability of constructing I-675 as planned or with modifications?

I am aware that Senator Glenn has written to the Miami Valley Regional Planning Commission and to others in the Dayton area requesting that available studies and information be pulled together to help respond to this Department's concerns with respect to the relationship between the proposed I-675 and Dayton. I am sure that the work already begun as a result of Senator Glenn's letter will enable you to respond to this letter with a minimum of delay. In your response, it would be helpful if you referred to any specific points expressed.

I am confident that you share my concern about urban centers and am looking forward to your response. After the above concerns are addressed, please see that the A-95 clearinghouse review of this project is resubmitted. Thank you for your assistance.

Sincerely,

BROCK ADAMS.

Question 24. Mr. Secretary, you recently stated that in the future, "beltways will be frowned on."

(a) Please explain the basis for this statement.

(b) Have any studies or reports been prepared by DOT with regard to this policy? If so, please provide copies.

(c) How will this policy be implemented? Who will make this decision? What will be in the role of DOT, FHWA, UMTA, States, Regional agencies, and cities?

(d) What statutory provision(s) do you rely on as an expression of Congressional intent that beltways are to be frowned on?

(e) Doesn't this policy prejudice beltway applications whether urban, primary, rural, etc?

Answer. I am concerned about the urban economic impact of all highways, including beltways. We want to use highway investments as a positive force to revitalize urban areas.

(a) The basis for our concern about some beltways is the negative impact they may have on the economic health of the center city.

(b) There have been several studies to assess beltway impacts on central cities. The following is a list of these studies. If the committee staff does not already have copies of these past studies, we will provide copies.

1. Bottiny, W., et al., "Economic and Land Development Impacts of Improved Highways, Part II—Beneficial Effects of Improved Highways," Federal Highway Administration, June 1971. (Background report for 1972 Highway Needs Study).

2. Thiel, Floyd I., "Beltway and Tax Base Impacts," Journal of the Urban Planning and Development Division, ASCE, Vol. 99, No. UPL, Proc. Paper 9619, March 1973, pp. 105-117.

3. Bottiny, W., et al., "Suburbanization and Beltways" and "Tax Roll Effects of Highways," Federal Highway Administration, Washington, D.C., 1972.

4. Connally, J., "The Socio-Economic Impact of the Capital Beltway on Northern Virginia," University of Virginia, Charlottesville, Va., 1968.

5. "Economic Impact Study of Massachusetts Route 128," Massachusetts Institute of Technology, for Massachusetts Dept. of Public Works and U.S. Bureau of Public Roads, Boston, Mass., 1958.

6. Horwood, E., and Boyce, R., "Studies of the Central Business District and Urban Freeway Development," State Highway Commission and the U.S. Bureau of Public Roads, Seattle, Wash., 1959.

7. Smith, W., et al., "Maryland Capital Beltway Impact Study—Washington SMSA and Maryland Counties," Columbia, S.C., 1968.

8. "Highways and Economic and Social Changes," Bureau of Public Roads, U.S. Department of Commerce, 1964.

9. "The Influence of Central City Radial Freeways on Manufacturing Location Decisions," Hammer, Siler, George Associates and Barton-Aschman Associates, Inc., 1973. (See abstract, page 188 of this report.)

FHWA is currently updating earlier beltway studies with a completion date targeted for November 1979.

In addition, a jointly sponsored (OST, HUD, FHWA) study of beltway impact is just getting underway. We will furnish copies when completed.

(c) We want to focus attention on beltways and other highways as they affect center cities. But our aim is to accomplish this within the comprehensive planning process carried on by the metropolitan planning organizations. In our stewardship of this process we in DOT and the State transportation agencies will be looking to see evidence that the center city gets a fair shake in the metropolitan planning activities.

(d) We believe that section 134, title 23, provides the statutory umbrella under which Congress intended to develop comprehensive assessments of urban highways including beltways.

(e) The intent was not to prejudice a class of transportation investments. The intent was rather to state that certain impacts from those projects, if they occurred, were not acceptable.

Question 25. Mr. Secretary, you recently stated that "a condition of Federal approval of any freeways will be separated rights-of-way for buses and carpools." (Emphasis added.)

(a) Does this accurately state DOT policy?

(b) What is the statutory basis for this requirement?

(c) Will this policy apply to all freeways in cities of 50,000 or more? In urban areas between 5,000 and 50,000 population? In rural areas?

(d) Does this policy apply to beltways?

(e) How will this policy be implemented?

(f) Will States and urbanized areas be allowed to consider other options?

(g) What is the purpose of conducting cost-effectiveness studies (as would be required in DOT's proposed urban investment regulations) if the decision has already been made?

Answer. (a) The statement was accurate in that we intend to foster a comprehensive planning process which includes a feasibility study assessing the usefulness of

preferential treatment of buses and carpools on all urban freeways. It is our intent to satisfy any additional travel demands first by preferential treatment of buses and carpools and then by general purpose lanes only when it is demonstrated that the preferential treatment cannot handle the demand.

(b) For the statutory basis please refer to question number 23.

(c) Although we have not identified a threshold population level for consideration of preferential treatment of buses and carpools, the emphasis will be in areas of 50,000 or more population where we have metropolitan planning organization doing comprehensive transportation planning.

(d) Beltways are not excluded. But radial movements will have the greatest potential in this area.

(e) We intend to pursue this policy through the comprehensive transportation planning process and subsequent project approvals by FHWA.

(f) States and urbanized areas are encouraged to examine all feasible alternatives in planning areawide systems and in planning for specific travel corridors. We want them to fully consider the alternative of preferential treatment for buses and carpools to increase the effectiveness of existing facilities and to ease the burden on proposed facilities.

(g) The cost-effectiveness analysis will enable all decisionmakers at the local, State, and Federal levels to better assess the outcome of their transportation decisions and we think that preferential treatment of buses and carpools will fare well in that assessment. There has been no blanket decision on this point.

Question 26. Section 1653(b) of Title 49, United States Code, prohibits the Secretary from adopting, revising, or implementing any transportation policies or investment standards, without appropriate Congressional action. Mr. Secretary, in light of this requirement, do you intend to propose legislation to implement the policies which you announced in your Harvard speech. If so, when do you anticipate that these proposals will be sent to Congress?

Answer. 49 U.S.C. 1653(b) requires congressional action on Secretarial transportation investment standards and criteria. This section prohibits adoption of standards that are inconsistent with statutes, but does not prohibit the development of such standards or criteria, where the standards are consistent with existing statutory programs and assist the Secretary in choosing among or setting priorities for projects seeking funds. In this case, we have not gone so far as to prescribe standards.

The urban policy objectives are drawn from policies established in title 23, United States Code, the Urban Mass Transportation Act of 1964, as amended, and other laws which have been referenced as citations to objectives 1-5, provided in response to question 23. They do not in any sense constitute investment standards.

The Department is frequently required to choose among competing projects for funds, or among varying alternative plans for a given project. To the maximum extent possible, we follow the requests of the recipients, but these types of decisions must be consistent with the broad statutory framework established in titles 23 and 49, United States Code, as well as other legislation affecting the transportation programs. The urban policy objectives will assist the Department in guiding the State highway agencies, public transit agencies and Federal officials, who are making difficult choices. Section 1653(b) is not contravened by the five policy objectives because they are entirely consistent with the authorizing legislation and would not change the scope or magnitude of Federal-aid programs. As stated above in response to question 23, the objectives announced in the Harvard speech enunciate, rather than initiate, Congressional policies which are already found in the law.

Question 27. Federal laws on the books since 1962 have required that, commencing in 1965, transportation plans in major metropolitan areas be coordinated with the planning of other elements of the physical development of the area. Is it not possible that newly required review of pending projects in such areas in terms of their impact on the central cities, if such resulted in the abandonment of a project, would subvert the cooperative State and local planning process which has been evolving since 1962?

Answer. Our intent in thoroughly reviewing major urban projects is not to supplant local decisionmaking, but to assure that urban interests have been fully considered as required by the planning process. The Department is in the process of formulating its policies to assure that DOT programs are consistent with the President's urban policy.

Recent decisions in Hawaii, Ohio, and Pennsylvania reiterate our intent to work with State and local officials to resolve these controversies earlier in the planning process. We are asking that officials reach a consensus and that we be assured that their proposals are cost effective, socially responsible, and energy efficient. These considerations were specifically enumerated in the recently passed Surface Transportation Assistance Act of 1978.

Question 28. Red Tape is an area of serious concern to this Committee, not only because it escalates the cost, but also because unnecessary delays in highway improvement programs make travelling more dangerous. What is the Federal Highway Administration doing to reduce or eliminate red tape?

Answer. The FHWA Regulations Reduction Task Force appointed by the Administrator in 1977 was charged with the development of recommendations which it felt would reduce unnecessary requirements and burdens placed upon the recipients of Federal-aid highway funds. The Task Force dealt with a wide range of program considerations including the reduction of requirements contained in existing directive material, future control of the promulgation of requirements, and management philosophies to be applied to the Federal-aid Highway Program. Based upon an Implementation Plan and schedule adopted by the Federal Highway Administration Administrator, a number of significant accomplishments have been achieved.

The first major action taken was the issuance of a "Federal Highway Administration Policy Statement on the Minimization of Red Tape" (Federal Register March 14, 1978). The major provisions of the policy directed to achieving regulatory reform in Federal-aid highway program management include:

Each review, reporting or other requirement imposing a time, paperwork, or staff burden on State or field office personnel will be given thorough review to assess the effect of not implementing the requirement at all. Numerous criteria are to be applied in implementing this policy, including mandates to:

- Minimize the imposition of additional requirements not contained or envisioned in the law,

- Include only those requirements clearly necessary for effective implementation of the program,

- Eliminate excessive reporting, submittal and program review requirements, and

- Assume that State and local officials through close interaction with the public are best able to judge local values and needs.

State and local governments and the public, to the greatest extent possible, are to be given the opportunity for involvement when the development of directives is first being considered.

Give increased emphasis to the fact that State and local Federal-aid highway recipients are competent and possess or have access to skills of the highest order.

The need to strengthen communication with local governments will continue to be aggressively encouraged by top management.

As a result of adopted Regulations Reduction Review recommendations, the Federal Highway Administration has over the past year reviewed for consistency with its Policy on the Minimization of Red Tape all of its Federal-Aid Highway Program Manual directives (approximately 200). The Federal-Aid Highway Program manual includes all Federal-aid program regulatory material along with guidance to Federal Highway Administration offices on program implementation. As a result of this directives review, approximately 15 have been cancelled and another 25 are scheduled to be cancelled. In addition, more than 100 directives were scheduled for revision based upon the Federal Highway Administration Policy on the Minimization of Red Tape. About 20 of these revisions have been made so far.

Those individuals and agencies working closely with the Federal-aid program have over the last year undoubtedly been aware of the various program changes. In those cases involving regulatory requirements, these program improvements have been made through Federal Register rulemaking procedures. Also, in implementing provisions of President Carter's Executive Order 12044 on Improving Government Regulations, the Federal Highway Administration now publishes in the Federal Register, along with other Department of Transportation agencies, a "Regulations Agenda." This Agenda sets forth all regulatory actions proposed by the Federal Highway Administration over the next 12-month period. The Agenda is published every 6 months, in February and August.

A recent reorganization within the Office of the Chief Counsel of The Federal Highway Administration established a centralized system for legal review of directives and regulations. The new procedures are designed to ensure early coordination and improved control of proposed directives and regulations; to provide uniform application of the requirements of the Administrative Procedure Act and Executive Order 12044; and to assist in implementation of the policy on minimization on redtape as provided in section 101(e) of title 23, U.S.C., and in the Federal Highway Administration Policy Statement on the Minimization of Red Tape.

A major emphasis within the Federal Highway Administration at this time is implementation of the 1978 legislative provisions. The Administrator has renewed his commitment to the Federal Highway Administration's Policy on the Minimization of Red Tape, stressing the importance of keeping implementing requirements to

an absolute minimum. To the extent practical and possible, regulations issued to implement the 1978 Act will not create additional administrative burdens by expanding upon the law. In many cases the provisions of law will be administered without the issuance of regulations at all.

The Federal Highway Administration also conducted a forms campaign which resulted in a reduction of forms by 37 percent. This reduction considerably exceeded the Administrator's original goal of a 25-percent reduction. During the course of the 3-month campaign, 1813 forms were reviewed by Headquarters and regional offices and 681 of these forms were identified for elimination. Of the 681 forms, all but 5 forms were cancelled. Most of the eliminated forms were internal to the Federal Highway Administration. However, as a result of the Forms Reduction Campaign, it is estimated that a reporting burden on the public of 8,468 man-hours has been eliminated. This burden reduction is attributable principally to a lowering of the frequency of reporting via Form Federal Highway Administration 1409, Federal-aid Highway Contractor's Training Report, from quarterly to semiannually. Considerable follow-on work in further reducing the number of forms was generated by the campaign. This resulted in the elimination of 16 forms in addition to those cancelled as a direct result of the campaign.

Finally in 1976, the Federal Highway Administration initiated a detailed study of the Federal Highway Administration's management and information systems, in order to simplify the information systems and modernize the transmission and retrieval of data.

The study focused on manual reports, but also included those computerized reports dealing with Personnel and Fiscal Services. The primary objectives of the study were to (1) simplify and modernize existing reports and systems; (2) eliminate overlap and duplication; (3) assess the cost benefits of existing reports and systems; and (4) recommend the elimination of reporting requirements which cannot be fully justified.

Of the 140 recommendations adopted by the Administrator, over 60 percent (88) have been completed at this time. Those 88 recommendations have been estimated to save a total of over 105,000 employee-hours each year. Those savings are shared by the U.S. Government, State agencies, and private contractors. At current salary levels, that employee time is worth over \$1.475 million.

Question 29. The Surface Transportation Assistance Act of 1978 requires two reports on the subject of red tape. One is on the methods and procedures developed by the acceleration demonstration project which is designed to reduce total project time in highway construction projects. I understand that that project is being completed in roughly half the time it would normally take.

The other is on procedures used in approving or disapproving applications submitted under the bridge replacement program.

Can you discuss the progress being made in both these areas and give us an idea of what you've learned to date.

Answer. Section 141 of the Federal-Aid Highway Act of 1976 required the Secretary of Transportation to carry out a project to demonstrate the feasibility of reducing the time required to complete a highway project. On December 1, 1976, the U.S. 30 bypass project in Everett, Pennsylvania, was selected as a candidate to fulfill the congressional mandate. The environmental study and the community involvement program for the demonstration project were initiated in January 1977. The final environmental impact statement (EIS) was accepted by FHWA on August 2, 1977. The construction contracts for the project were awarded in April and November of 1978. The construction is approximately 30 percent complete and is scheduled for completion in September 1980.

In 1975, highway officials estimated that the typical highway project required 7 to 8 years from request for project approval through completion of construction. The length of time required to provide the public with the Everett bypass project will be slightly less than 4 years.

The project has already demonstrated the value of early direct contact with public agencies, public involvement workshops rather than formal hearings, making full information available to the public and all government levels, direct communication between project personnel and administrative managers on problem areas, delegated responsibility for environmental statement processing, more flexible project development procedures, and generation of local support for project improvement. The development and approval of the EIS in 8 months, and the award of a construction contract within 9 months after EIS approval, show the possibilities of accelerating project development.

Section 147 of the Surface Transportation Assistance Act of 1978 is being implemented through organizational channels by the Washington Headquarters of the FHWA. The States of Kentucky, West Virginia and Ohio have been notified that

the U.S. Grant bridge between Ohio and Kentucky, and the Ohio River bridge at Huntington between Ohio and West Virginia have been selected to demonstrate the feasibility of reducing the time required to replace unsafe bridges. The Washington Office requested and received financing schedules for these two projects. Advisory memorandums have been issued and FHWA expeditors have been selected for each project. Funds have been allocated for each of the two projects to the extent requested or available.

Both projects will be advanced through the various project stages as expeditiously as possible without jeopardizing their structural integrity or placing an undue burden on the environment. Work will be carried out by the various disciplines in an attempt to shorten the design and construction time and coordinate the project with the various permit issuing agencies.

Six months after the projects are completed, reports will be submitted to Congress discussing such things as methods used to reduce the time necessary to complete the project and recommendations for applying such methods to other bridge projects and any changes which may be necessary to existing laws to permit further reduction in the time necessary to complete bridge projects.

Question 30. One of the most time consuming requirements in highway construction projects is the environmental review process. While everyone recognizes the importance of these reviews, do you think redefining "major Federal action" to reduce the total number of reviews would violate the intent of this requirement? What percentage of Federal-aid highway projects come under the classification of "major Federal action"?

Answer. The term "major Federal action" contained in Section 102(2)(c) of the National Environmental Policy Act (NEPA), Public Law 91-90, is not defined in the Act. The term has been defined for all Federal agencies in the regulations issued by the Council on Environmental Quality (CEQ) as Title 40, Chapter V, Part 1508 of the Code of Federal Regulations.

In its guidelines, CEQ has defined the term "major Federal action" as an action which is potentially subject to Federal control and responsibility and which has effects that may be major or significant or are likely to be highly controversial. Short and long-term effects and their intensity must be considered.

Based on this definition, each Federal agency is responsible for identifying major Federal actions in terms of its own particular operations. For the Federal-aid highway program, this identification has been provided in FHPM 7-7-2. Because the FHWA is required by existing highway program legislation to take a Federal action on approval requests for Federal-aid participation in highway construction projects, we have focused our identification of actions which must comply with NEPA on those which are major. Major actions in the Federal-aid program are limited to those of superior, large, and considerable importance involving substantial planning, time, resources, expenditures. An action that is likely to precipitate significant foreseeable alterations in land use, planned growth, development patterns; traffic volumes, travel patterns, transportation services, and natural and manmade resources would be considered a major action.

This identification of major actions has resulted in a small percentage of highway construction projects being classified as major Federal actions for purposes of compliance with NEPA. However, the environmental review processes required to comply with other environmental legislation pertaining to such matters as historic preservation, water quality, and air quality are not limited to major Federal actions. Consequently, the Federal agencies responsible for administering that legislation have generally interpreted that all Federal actions having an effect on those environmental matters must comply with the environmental review process required by the legislation.

In view of the limiting definitions which have been provided by the CEQ and FHWA and in view of the review processes which would still be required by other environmental legislation, we are doubtful that the total number of reviews could be reduced by redefining "major Federal action".

While we do not have specific information on the percentage of Federal-aid highway projects which are classified as major Federal actions, based on a limited survey conducted by our Office of Environmental Policy in 1977, we estimate that approximately 10 percent of the projects are major Federal actions. A small proportion of these are classified as major Federal actions significantly affecting the environment causing the more time consuming requirements of preparing an environmental impact statement.

Question 31. Will bridge rehabilitation projects be classified as "major Federal actions" for purposes of environmental reviews?

Answer. Whether a bridge rehabilitation project will be classified as a "major Federal action" is dependent on the magnitude of the project, and its likely effect on

land use, travel, and natural and manmade resources. For the typical types of rehabilitation which occur, i.e., deck replacement, superstructure improvements, minor widening, we believe that few bridge rehabilitation projects will warrant classification as a major Federal action.

Question 32. How much do you estimate the States will be able to obligate in the Federal-aid Highway and safety construction programs during fiscal year 1979? During fiscal year 1980?

Answer. Our most recent survey estimates indicate that State obligations (exclusive of Federal administration) will run about \$8.4 billion in fiscal year 1979 and \$8.0 billion in fiscal year 1980.

Question 33. When testifying before the Senate Committee on Environment and Public Works on February 8, Deputy Administrator Hassell indicated the FHWA was in the process of updating its estimate of the amount of funds that would be obligated in fiscal years 1979 and 1980. Has this survey been completed? If not, what are the preliminary results?

Answer. The survey has been completed. The results are set forth in the response to the following question.

Question 34. At the request of our committee, AASHTO has provided an estimate of highway obligations in fiscal year 1979 and fiscal 1980. AASHTO estimates that the States can obligate \$8.9 billion in 1980. Please explain any discrepancies that may exist between the AASHTO numbers and the FHWA numbers.

Answer. We have not seen the details of the AASHTO estimates. However, the overall levels quoted are higher than ours. Our February 1979 estimates were developed on two assumptions for each of the fiscal years:

A. Fiscal and program conditions currently prevailing will continue. This estimate assumes no extraordinary initiatives for generating additional State revenues, current litigation, and environmental problems continue, etc. This could be called the status quo or conservative estimate.

B. Fiscal and program conditions change favorably. This estimate assumes adequate State matching becomes available through increased taxes, appropriation, pending bond issues, etc. and assumes program impediments which have a reasonable chance of settlement during the period will be resolved expeditiously and favorably. This constitutes the high or optimistic estimate.

The raw FHWA estimates, received from the States as a result of our January 26, 1979 request, were subjected to review and analysis. After adjusting these State estimates for availability and excluding average estimate overruns experienced in prior estimates, we arrived at an adjusted estimated of \$8.4 billion for fiscal year 1979 and \$8.0 billion for fiscal year 1980.

Question 35. Based on the AASHTO estimate that \$8.9 billion can be obligated in fiscal year 1979, it would appear that the States will bump the \$8.5 billion obligation ceiling in the Surface Transportation Assistance Act for fiscal year 1979. If this turns out to be the case, will FHWA recommend that the obligation ceiling be raised, or will FHWA recommend that the program be shut off at that point?

Answer. At this time we do not see the necessity to raise the \$8.5 billion obligation ceiling for fiscal year 1979.

Question 36. Do you believe the obligation limitation has influenced the States in determining the size of their programs. If so, and if the programs have been kept at an artificially low level, would the result be self-defeating in that any savings would be eaten up by increased costs due to inflation?

Answer. We do not believe the obligation ceiling has influenced the States in determining the size of their program. The States are constrained only by the availability of their apportioned funds, matching capability, and ability to advance projects. In the past, the States have not come close to the obligation ceilings.

(In millions of dollars)

	Obligation ceiling	Obligations
Fiscal year:		
1978 ¹	7,445	7,018
1977 ²	7,200	6,637
1976-Transition quarter ²	9,000	5,087

¹ Excludes emergency relief.

² Excludes emergency relief, urban high density, and bridge replacement.

Since the Highway Trust Fund is a part of the overall Federal budget, there must be a means to ensure proper Federal budgetary oversight. The obligation limitation provides this mechanism.

Question 37(a). The Administration has recommended an obligation limitation of \$8.5 billion for the Federal-Aid Highway and Safety Construction Programs for fiscal year 1980. This is slightly less than the amount which is authorized for these programs in fiscal year 1980. If we adopt a policy of setting the obligation limitation at a level equal to or less than the amount authorized, how will we reduce the unobligated balances in the highway program?

Answer. Although a limitation of \$8.5 billion has been proposed in fiscal year 1980, it is not anticipated that this section by itself will create higher unobligated balances in the Federal-aid highways account. A similar limitation has been placed on this account each year since fiscal year 1976, and the States have yet to even approach these limitations. We believe the size of the unobligated balances of authorizations in this account is far more a factor of the States' inability to proceed than of the obligation limitation.

Question 37(b). Won't the unobligated balances, and consequently the cash balance in the Highway Trust Fund, continue to grow under the Administration proposal?

Answer. It is not anticipated that the proposed limitation for fiscal year 1980 will prohibit the States from moving forward with highway projects. The unobligated balances in the Federal-aid highway account could, however, increase due the States' inability to match Federal dollars, to environmental problems and possibly to several other problems inherent in moving highway projects.

Question 37(c). How does the Administration plan to reduce unobligated balances in the Highway Program?

Answer. Unobligated balances do not exist in the highway program because of constraints placed on the States by the Administration and/or the Department. They exist for the reasons cited in the answer to question 7(a), which limit the ability of the States to proceed in given areas. However, the existence of these balances are not necessarily bad, because they give the States the flexibility to plan their programs several years into the future without straining their resources in any one year. Our projections indicate that obligations will increase over the next three years as the States expand their planning and construction activity. Authorizations in fiscal year 1982 will be less than expected obligations. Therefore, the unobligated balance will be reduced that year and possibly before. Our experience is that is typical for the unobligated balance to increase during the first one or two years of new authorizations, and decrease by the end of the life of the authorization.

Questions 38 and 39. Does the Administration contemplate sending any message to Congress with respect to deferral or rescission of any budget authority provided in the programs in P.L. 95-599 for fiscal years 1979 or 1980? If not, may we take it that such actions have been completely ruled out regardless of what happens to the programs in the budget process?

Answer. We have already sent deferral messages to Congress which include deferral of authority provided under Public Law 95-599 for fiscal year 1979 as well as under previous authorizing legislation. This includes a deferral of \$13.1 million (contained in P.L. 95-334) for the Overseas Highway Appropriation, \$25 million (under Section 104(a)(15) of Public Law 95-599) of a total deferral of \$54.2 million under the National Scenic and Recreational Highway appropriation (Great River Road) and \$255.5 million (under Section 303(e) of Public Law 95-599) of a total deferral of \$968.6 million under the Interstate Transfer Grants Appropriation. In keeping with data contained in the President's 1980 Budget, there are no present plans to request deferrals in fiscal year 1980 or rescissions in fiscal years 1979 or 1980.

Question 40. Have deferrals or rescissions affecting programs authorized in Public Law 95-599 for fiscal years 1979 or 1980 been discussed within the Department or between the Department and OMB?

Answer. Only those deferrals for fiscal year 1979, which we referred to previously, have been discussed within the Department and between the Department and OMB. There are no rescissions now under consideration, although some were considered during the budget process.

Question 41. Can you envision any circumstances under which consideration of deferrals or rescissions for fiscal year 1979 or fiscal year 1980 would arise?

Answer. Based on the data contained in the President's Budget, we expect no rescissions and no further deferrals other than those deferrals we referred to previously.

Question 42. On the subject of rail relocation demonstrations, the Congress has said two things very clearly in legislative history. First, both the House and Senate Committees are firmly committed to approving no additional projects beyond those already designated. Second, that those which have been designated will be funded through to completion.

So the question is this: In view of this legislative history, how do you justify the position of the Administration in requesting no further funding for this program? Would this not renege on a clear commitment to the committees involved?

Answer. For the Railroad-Highway Crossings Demonstration Program (19 Cities) no additional appropriations are being requested. Progress on these demonstration projects is slow and historically the cities' estimates of future obligations and time schedules have been overly optimistic. As a consequence, it is felt that the present balance of unobligated funds will most likely satisfy the cities funding needs to enable reasonable program progress through fiscal year 1980. These projects, moreover, can be funded out of broader Federal-aid highway programs if they are of sufficient local and state priority. This Administration has never committed itself to completing the 18 projects currently authorized—the costs of which exceed \$500 million.

Question 43. What amount of Interstate Funds became available for obligation during the current fiscal year as a result of normal lapse and lapses triggered by enactment of Public Law 95-599?

Answer. In accord with 23 U.S.C. 118(b) as it was before the amendment by section 115 of the Federal-Aid Highway Act of 1978 (Public Law 95-599), funds apportioned for the Interstate System effective December 11, 1974, for the fiscal year ending June 30, 1975, and not obligated on September 30, 1978, were lapsed to the States of Connecticut, New Jersey, and Rhode Island and reapportioned to the other States.

Connecticut	\$15,253,620.38
New Jersey	14,468,498.07
Rhode Island	22,042,275.73
Total	51,764,394.18

In accord with 23 U.S.C. 118(h), as amended by section 115(a) of the Federal-Aid Highway Act of 1978, unobligated balances of Interstate funds apportioned for fiscal year 1978 and prior fiscal years lapsed on November 6, 1978, in 13 States, and were used to establish the Interstate Discretionary Fund in the amount of \$1,408,809,873.50.

Question 44. What is the rate of obligation of lapsed funds to be expected during fiscal years 1979 and 1980? How much has been obligated by how many States in this category?

Answer. Based on estimates we recently received we can expect between \$1.0 and \$1.3 billion in obligations in fiscal year 1979, and \$500 to \$600 million in fiscal year 1980. The latter is contingent upon activity in fiscal year 1979 and funds lapsing on September 30, 1979 with subsequent credit to the Interstate Discretionary Fund. To date, 14 States have received allocations from the Interstate Discretionary fund totaling \$663 million.

Question 45. How much of lapsed funds will be available for obligation in fiscal year 1980 as a result of new lapses occurring at the end of fiscal year 1979?

Answer. This is impossible to determine with any degree of accuracy at this time. As of March 31, 1979, 25 States had \$1.1 billion of Interstate funds to be obligated by September 30, 1979. If not obligated, the funds will be credited to the Interstate Discretionary Fund.

Question 46. What is your estimate of the degree to which construction of the Interstate system is being accelerated by the new acceleration provision in the 1978 Act?

Answer. Of the \$1.4 billion discretionary fund which became available upon enactment of the 1978 act, over \$663 million has been allocated to date to States which could obligate more Federal funds than were made available through regular apportionments. In the 14 States receiving discretionary allocations, almost half of the allocated funds will be used for projects on gap segments of the System. The remainder is being used for completing final stages of initial construction and for safety upgrading.

In view of the number and amount of allocations made during the first six months of the acceleration effort, we believe the provision is significantly accelerating completion in individual States. While completion of some routes in some States cannot be accelerated because of factors other than Federal fund availability, such as litigation and State and local decision processes on whether to substitute or build, we consider the provision to be serving its intended purpose satisfactorily.

Question 47. Given continued increases in the cost of construction, what is a reasonable estimate of savings to be realized as a result of this provision?

Answer. If we assume future annual construction cost increases of about 8 percent, the amount of potential savings in inflation costs resulting from this provision

could fall in the range of \$250 to \$300 million. We realize a projected annual increase of 8 percent may appear conservative in view of the large increases experienced in mid 1978; however, in consideration of the very moderate increase in the last 3 months of 1978, and the substantial decrease in the first 3 months of 1978, we believe 8 percent to be a reasonable figure. Our estimated inflation savings are based on the assumption that a total of \$2.1 in Interstate obligations will be advanced by an average of 1½ years as a result of this provision.

Question 48. Are there lessons to be learned from the Interstate acceleration program? Would we be well advised to explore some legislative mechanism whereby fast spending States would continue to move ahead with non-Interstate construction by borrowing against apportionments of slower moving States, with borrowing repaid to the lender States from the future apportionments of borrower States?

Answer. The 1978 legislation provided several mechanisms (e.g., 2-year lapsing of Interstate funds) to enable States to accelerate their Interstate programs, within available authorizations. The rationale for this legislative initiative is the need to expedite the initial construction of a designated system of limited mileage, a program which was established in the 1956 legislation. The new mechanism allows greater flexibility to the States in choosing a rate of development within available authorizations.

Interstate program apportionments are based on the cost-to-complete a fixed and limited system. This apportionment based on needs is self-adjusting with each new I.C.E. Also this increased flexibility results in increased obligations of funds in the early years by moving funds to States ready to proceed with construction. Inflation is thereby defeated to a degree with a resultant decrease in the ultimate cost to complete.

Because the "cost-to-complete" apportionment system is unique to the Interstate program and because the Interstate program is designed to facilitate initial construction of a fixed-mileage system, the Interstate program acceleration mechanisms are not appropriate for other Federal-aid highway programs. For the non-Interstate programs, funds are apportioned on population, area and postal route mileage so that consideration is given to the different nature of the States, rather than a "needs" basis. We, therefore, are concerned with a fixed amount of money to each State rather than a fixed mileage as in the Interstate program. A provision to allow a State to borrow to accelerate its construction program would soon restrain its program when the repayment is made.

Further, the transferability provisions of Title 23 allow the States to transfer between their primary, secondary and urban apportionments to accommodate their specific needs and priorities. This mechanism will accommodate a State's need to accelerate projects on a specific system without affecting the apportionment formulae.

In conclusion, the States are apparently able to cope with the levels of primary, secondary and urban system funding since no funds have been lapsed.

Question 49. Have any problems that were not anticipated at the time of the provision's enactment arisen since to slow down its implementation?

Answer. In our response to a previous question (No. 46), we provided information on the new acceleration provisions of the 1978 Act. A special Interstate acceleration account was established to receive the \$1.4 billion of Interstate System apportionments which lapsed upon passage of the 1978 Act due to the change in the period of availability mandated by that Act. To date, we have not documented any problems; however, we are monitoring the allocation of these funds and other acceleration mechanisms on a continuing basis in order to identify and resolve any problems that may occur.

Question 50. Are technical amendments or further legislative refinements called for?

Answer. As stated in previous questions, we are continually monitoring and analyzing all the efforts for acceleration of Interstate System completion. Thus far, we have seen nothing that would warrant any technical amendments or other legislative changes.

Question 51. On the subject of bridge reconstruction and replacement, what will be the total obligated during fiscal years 1979 and 1980?

Answer. The estimated obligational levels for the bridge reconstruction and replacement program are: fiscal year 1979, \$741 million; fiscal year 1980, \$915 million.

Question 52. Is there a growing number of projects on the shelf or moving through the pipeline so as to assure an orderly expansion of the program?

Answer. The Highway Bridge Replacement and Rehabilitation Program continues to build momentum as the Nation's deficient bridges are being identified and programmed for replacement or rehabilitation. A greatly expanded bridge building program is being planned at all levels of government and there is little doubt that

bridge plans are being advanced through the various program phases as rapidly as possible. A recent request for financing schedules for bridge projects costing in excess of \$10 million resulted in schedules for 107 deficient bridges, many of which had plans ready to go to contract.

Question 53. What has been the level of obligations to date, and what does this suggest as to the likelihood of future obligation levels?

Answer. The following tabulation summarizes the activity in the first 4½ months of the Highway Bridge Replacement and Rehabilitation Program authorized in the 1978 Act.

Appropriation code and description	Number of projects	Federal funds obligated	Unobligated balance
114: Optional 20 percent expenditure on/off the Federal-aid system	11	\$9,739,103.00	\$115,860,897.00
116: Acceleration of bridge projects ¹	2	4,153,950.00	49,846,050.00
117: Mandatory 15 percent expenditure off the Federal-aid system	93	19,172,527.35	75,027,472.65
118: Mandatory 65 percent expenditure on the Federal-aid system	604	154,332,801.09	253,867,198.91
119: Discretionary funds ²	10	11,269,823.00	188,730,177.00
Total	720	198,668,204.44	683,331,795.56

¹ Funds allocated as of Mar. 31 totaled \$30,240,000 (\$54 million is reserved).

² The discretionary funds allocated as of Mar. 31 totaled \$176,903,000 (\$200 million is reserved).

The future obligational levels look very encouraging. Some of the funds have been obligated for the inventory, inspection and classification of bridges. The Special Bridge Replacement Program authorized in the Federal-Aid Highway Act of 1976 and prior Acts (Appropriation Code 115) has an unobligated balance of \$25,239,994.34 as of March 31, 1979. The funds are authorized for use until expended.

Question 54. What is the mix of projects as between a few relatively high-cost bridges on one hand, and a large number of projects of lesser costs on the other?

Answer. From a sampling of some 720 projects approved under the new Highway Bridge Replacement and Rehabilitation Program, 94 percent of the projects were under \$1 million.

Question 55. How does the mix break out in terms of replacement versus major rehabilitation or replacement in part?

Answer. From a random sampling of 50 construction projects, 88 percent were replacement and 12 percent were rehabilitation.

Question 56. Have any problems cropped up in carrying out the expanded bridge program? Are there problems in the availability of materials, equipment, etc.? Have we had enough experience to judge whether redtape, interagency clearances and other requirements are proving unacceptably burdensome?

Answer. The new Highway Bridge Replacement and Rehabilitation Program has experienced relatively few problems. The usual problems associated with the disposition of historic bridges, time required to prepare and process Environmental Impact Assessments and the unavailability of matching funds in several of the depressed areas appear from time to time but are being dealt with on a project-by-project basis as expeditiously as possible.

To date, we know of no projects that have been delayed as a result of building materials or equipment being unavailable.

Redtape, delays due to interagency clearances and other requirements have occasionally delayed the advancement of projects but they are not considered to be unusually burdensome or of serious magnitude.

Question 57. What is the mix of projects as between structurally deficient and functionally obsolete structures?

Answer. The Eighth Annual Report to Congress dated February 1979 reported that out of 40,653 deficient bridges on the Federal-aid system, 9,053 are structurally deficient and 31,600 are functionally obsolete.

Most projects approved under the bridge program are for structurally deficient bridges, primarily due to the importance placed on this category by the established sufficiency rating formula.

Question 58. Have you received any allegations of unfairness in the selection of projects within individual States?

Answer. We have received no formal allegations of unfair practices in project selection within any individual State. Our field reviews being conducted to monitor the program have noted one situation where a State is giving preference to its off-system bridges over those owned by local jurisdictions. We are continually making every effort to discourage this practice.

Question 59. What impact, if any, has the *Bakke* case had on FHWA affirmative action programs?

Answer. The *Bakke* decision has had almost no effect on FHWA's affirmative action programs because they do not resemble the program in that case.

Question 60. Five NHTSA programs require an annual appropriations from the Highway Trust Fund. In fiscal year 1980, you have requested funding for only one of the five programs—\$27 million for research and development. No funding has been requested for 55-mile-per-hour speed limit enforcement, 55 incentive grants, the innovative grants programs, and accident data collection. Please describe the analysis that the Agency went through which led to this funding proposal. Why does NHTSA research and development have a higher priority than the other programs?

Answer. An overall examination of the budget request shows that funding is being sought for three of the five activities that you list. In addition to the \$27 million funding for research and development, we are seeking \$40 million for 55-mph speed limit programs, and \$13.9 million for accident data collection. Although we understand that the Committee disagrees with our method of funding 55-mph programs, the amount we seek could continue the high level of funding from fiscal year 1979. The accident data collection program has been funded partly under the research and development provisions of the Highway Safety Act. The combined funds sought from these sources in fiscal year 1980 exceed the 1979 appropriation by \$1.9 million.

We decided to postpone funding only for the innovative project grants authorized under 23 U.S.C. 407 and for the 55-mph incentive awards under 23 U.S.C. 154(i). We were faced with the requirement to impose constraints on spending. Each of these programs was new, each required the issuance of implementing criteria and procedures, and the near-term positive benefits of each are not as certain as other programs. The 55-mph incentive program, in addition, would seem to serve a greater purpose as the compliance levels required of the States increase. At the initial stage, a large number of States would qualify without doing more than they would be doing in the absence of incentives. To the extent that an incentive program should induce additional effort, this purpose would not be served until the later years of the program.

Question 61. The Congress has provided \$177.5 million in contract authority for the Section 402 highway safety program and school bus driver training. The Administration, however, has recommended that obligations be limited to \$175 million in fiscal year 1980. What is the basis for this recommendation? Why are you cutting back on a contract authority program? Doesn't this mean that in order for a State to spend money on school bus driver training, it will have to cut back on its other safety programs?

Answer. In requesting \$175 million for fiscal year 1980, the Administration is trying to keep the program within fiscally responsible guidelines. Although the school bus program authorization is contract authority, our decision to seek a limitation for it will have little effect either on school bus programs or on other highway safety programs. The States are carrying over \$9.4 million in unexpended school bus driver training funds from prior fiscal years. These funds must be expended for school bus driver training and will go a long way toward providing the funds necessary for the program in the next year. If a State has used up the driver training funds from prior years, it will have to use its basic highway safety funds if it wants to continue to fund driver training programs. We presume that it would continue these programs only if the programs can be justified as priority programs. If this is the case, the State would be spending its funds in the best interests of highway safety. We do not believe such an expenditure could be seen as a cutback on highway safety programs.

Question 62a. The 1978 Act, its legislative history, and the letter from the House Floor Managers to Secretary Adams clearly indicate the intent of this Committee that the 55 enforcement program be funded from a separate authorization and not from the basic Section 402 program. Yet the Administration's budget for each of the fiscal years 1979 and 1980 requests no separate funding for 55 enforcement and proposes that \$40 million of Section 402 funds be earmarked each year for such purpose. This is totally contrary to the 1978 Act and the intent of this committee. Would you explain why the Administration has totally ignored the intent of this Committee?

Answer. As explained more fully in our answer to subpart b of this question, the Department has not "ignored" the Committee's views.

Question 62b. In earmarking \$40 million of Section 402 funds for 55 enforcement in fiscal year 1979, the Administration has relied on the language in the 1979 Appropriation Act which states that: "not to exceed \$40,000,000 shall be reserved for use at the discretion of the Secretary for high priority highway safety projects." It is quite clear from the legislative history that this provision was based on the Administration's proposed highway safety legislation which would have given the Secretary the statutory authority to reserve up to 25 percent of Section 402 funds for "carrying out high priority safety programs, including expanded enforcement of the 55-mile-per-hour speed limit." Essentially, it was a conforming amendment.

The Administration proposal, which was included in the Senate bill, was specifically rejected by the House and Senate Conferees. In fact, the Conference Report emphasized that the States should have the flexibility to tailor the Section 402 program to their individual needs. In addition, the 1978 Act provided separate funding for 55 enforcement.

Now, in light of this legislative history, how can you conclude that Congress intended the fifty-five program be funded from Section 402 in fiscal year 1979?

Answer. In our view, the Appropriations Committee considered the Administration's budget request independently of the various authorizations measures pending at that time. When the FY 1979 Appropriations Act was passed, it was not at all clear which version of the authorization measures would be enacted.

The Appropriations Act represented Congress' judgment as to how the highway safety funds were to be spent. That judgment was that up to \$40 million was to be spent on high priority projects. In examining the language and history of the Surface Transportation Assistance Act of 1978, we concluded that it did not rescind the Department's authority to have the \$40 million spent on speed limit enforcement. We are convinced that our actions in this regard are consistent with the intent of Congress.

Question 62c. In fiscal year 1980, we do not have the same problem. The Surface Transportation Assistance Act is in place and will be available to the Appropriations Committee when it acts. Unlike fiscal year 1979, there will be no uncertainty as to the final outcome of the programs. But despite the clear intent of our Committee that the 55 program be funded from a separate authorization and not from the Section 402 program, the Administration has proposed just the opposite. It has proposed no separate funding and has asked the Appropriations Committee to give it the statutory authority to earmark \$40 million of Section 402 funds for this purpose. In other words, you are seeking to achieve through the budget process what you couldn't achieve through the legislative process. In fiscal year 1980, what statutory Authority does the Secretary have to earmark Section 402 funds for "programs of special importance"?

Answer. For fiscal year 1980, the Secretary will have whatever authority the Congress provides. The Administration's budget request reflects the Administration's view as to the most effective allocation of funds, consistent with overall budgetary constraints. If the Congress decides that a different allocation is more appropriate, we would of course abide by that decision.

Question 62d. What has been the reaction of the States to the Administration's proposal not to fund 55 and to earmark 402 funds for this purpose? Has it been a factor in the efforts of some States to repeal or weaken the 55-mile-per-hour speed limit?

Answer. The National Association of Governors' Highway Safety Representatives surveyed its membership on essentially this same question. The 20 States responding claim that the lack of supplemental funds for 55-mph programs will:

Preclude expansion of 55-mph programs to full potential and compliance with criteria—2 States.

Preclude funding of projects of higher impact and priority—9 States.

Preclude true identification process and State determination of needs—5 States.

Preclude improvement of traffic records systems—2 States.

2 States reported they will have no problem whatsoever.

We are not aware of any other State reactions. For other than 55-mph program activities, the States have approximately the same level of funding for fiscal years 1978 (\$127M), 1979 (\$127.1M) and a slight increase proposed for fiscal year 1980 (\$129.1M). If the States had the same total base 402 funding amounts available in fiscal year 1978, 1979 and 1980 and did not have to obligate any of these funds for 55-mph activities, it is believed that the States would have obligated most of these funds to impact programs such as: selective enforcement, alcohol safety, emergency medical services, driver control, pedestrian safety and traffic records.

There are no indications that lack of supplemental funds of 55-mph programs has been a factor in the efforts of some States to repeal or weaken 55-mph laws. These efforts are believed to be mainly due to the desire of State legislators, particularly those in certain western States, to go on record and reassert the position that the setting of speed limits is a State rather than Federal issue.

Question 63. Over the past few weeks, it has come to our attention that a few States are considering measures that would either repeal or weaken their 55-mile-per-hour speed limit laws. This is of great concern to those of us in Congress who support 55 and recognize its lifesaving and energy-saving benefits. Please bring us up to date on this matter and tell us what action DOT is taking. Also does the Department feel that it has sufficient statutory authority to deal with the matter?

Answer. During the current legislative session 24 States have introduced legislation to raise the speed limit above the national maximum limit and/or to reduce the penalties for violation of the 55-mph limit.

Nineteen States have introduced legislation that would set the speed limit in excess of 55 mph. Written communications were sent to those State that took serious steps toward enactment of legislation raising their speed limits in excess of 55 mph, which emphasized the Departmental policy "that enactment of a speed limit higher than 55 mph would affect future Federal-aid highway funding." The law (Title 23, U.S.C. 154) is clear and unequivocal in this respect. Should any State enact a speed limit law permitting a speed higher than 55 mph, no further project approvals for Federal-aid highway funds under Section 106 will be granted. Because the States stand to lose substantial amounts of Federal-aid highway funds and for most States the legislative session is drawing to a close, it is not expected that such legislation will be passed during this session.

A number of States have also introduced legislation that would weaken the 55-mph speed limit by reducing the penalties for such violations. States have been notified that, "In order to achieve improved compliance with a 55-mph speed limit, a strong enforcement posture is necessary. This includes a law with strict penalties for violators. Any lessening of penalties which creates a situation where violators are penalized less now for failing to comply with speed limits than prior to enactment of the 55-mph law will raise a substantial question as to whether the State is in compliance with 23 U.S.C. 141 (Public Law 93-643)." The Department of Transportation intends to have the States defend their 55-mph enforcement penalties in the light of their own former judgment as to what constituted adequate penalties. As a lower limit, the 55-mph limit would seem to require more stringent penalties, not weaker ones. The States will be put to the effort of justifying the differential in penalties. Letters requesting such a justification have already been sent to the following States which have weakened their speed limit penalties significantly: Idaho, Iowa, Montana, Nebraska, and New Mexico.

The question asking if the Department feels it has sufficient statutory authority to deal with matters relating to the 55-mph NMSL may not readily be answered yes or no. The Department wishes to observe the effects to the authority granted in the Surface Transportation Assistance Act of 1978, Section 154 of Title 23, United States Code sets forth criteria beginning September 30, 1979 for: (1) Achieving the compliance goals for a reduction of speed exceeding 55 mph, (2) reduction by the Secretary of the States' apportionment of Federal-aid highway funds, under each of Section 104(b)(1), 104(b)(2), and 104(b)(6) for failure to comply. Once we have the opportunity to review the States' progress in meeting the criteria we will be able to determine if the statutory authority is sufficient.

Question 64. How many and which States do you estimate will not meet the compliance standard established in the 1978 Act for fiscal year 1979? How many and which States do you estimate will achieve 10 percent greater compliance and will therefore be eligible for incentive grants?

Answer. The 55-mph compliance data required to assess whether a State satisfies the compliance criteria established in the Surface Transportation Assistance Act of 1978 (Public Law 95-599) will not be available until after October 1, 1979. Based on the speed data submitted by the States with their fiscal year 1978 certifications and assuming that no changes take place during fiscal year 1979, five States (Kansas, Missouri, Texas, Wyoming, and Vermont) could be in danger of sanctions.

There may be as many as 25 States that would be eligible for incentive grants; they are: Alabama, Alaska, Arkansas, Colorado, Florida, Hawaii, Idaho, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, North Carolina, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin. Puerto Rico might also be eligible. However as required by Public Law 95-599, the methods and procedures for calculating the statewide speed data used for the annual compliance certifications will be changed during fiscal year 1979 and fiscal year 1980. Since the compliance levels

reported under the new procedures will also change significantly in many states, we cannot predict at this time what the compliance situation will be until after the end of fiscal year 1979.

Question 65. Prior to enactment of the 1978 Act, did any State use 402 funds for the purchase of passive restraints?

Answer. Our data for fiscal year 1977 and fiscal year 1978 shows no 402 dollars spent for purchase of passive restraints.

Question 66. Has UMTA finalized its new regulations for maintenance of effort as required by Section 304(f)? What special problems have been encountered in finalizing these regulations?

Answer. UMTA has drafted procedural guidance for the implementation of the new maintenance of effort (MOE) requirements and has circulated these procedures among the regional offices. This draft has been furnished to the Committee. UMTA will place this guidance into regulation as part of a broader revision of the Section 5 program requirements to reflect statutory changes. No special problems have been encountered with regard to the MOE provisions.

Question 67. Has the new "Buy America" provision been applied in any procurement? In other words, has a foreign low bidder failed to get a contract because of the requirement in Title IV giving preference to U.S. firms? Have any complaints or comments been received from foreign manufacturers on the Buy America regulations or actual awards made as a result of them?

Answer. FHWA—The new Buy America provisions have been applied to all State procurements involving structural steel since November 6, 1978, the effective date of Title IV. We would have to perform a special study to determine whether a foreign low bidder has failed to get a contract because of Title IV. The FHWA does not have reporting requirements which would reveal this kind of information. FHWA regulations implementing the Buy America provisions were published on November 11, 1978. We received comments and complaints concerning the Buy America regulations from companies and associations dealing in imported steel, including steamship terminals and port authorities. One Canadian manufacturer and the Canadian Government also objected to the regulations.

UMTA—The new Buy America provisions have been applied in all procurements covered by Section 401 of the Surface Transportation Assistance Act since November 6, 1978. UMTA recognized that the Congressional intent was to implement the new provisions as quickly as possible. For this reason, UMTA put all of its grantees on notice of the new Buy America statute by mailing a letter to each one on November 7, 1978. One month later, UMTA published in the Federal Register comprehensive regulations applying the Buy America provisions to the UMTA program.

While we are still gaining experience with these new requirements the Committee may be interested to know that, in the case of railcar procurements, well over \$250 million worth of bids have been opened by transit authorities since the effective date of the statute and, in every case, the low bidder has agreed to provide U.S. materials.

It is too soon to understand the impact of Buy America on the construction contracting and bus purchasing of transit authorities. However, a great deal of interest has been expressed in the docket in the use of foreign steel and purchasing of foreign buses. Transit authorities are incorporating the "Buy America" provisions in their construction contracts.

We are not aware of any bid that has been found nonresponsive because of the Buy America provision. It is our belief that foreign bidders have either revised their manufacturing process to produce domestic materials or that they have decided not to bid at all.

We have not received any complaints from foreign manufacturers concerning actual awards that have been made which incorporate the Buy America provisions. However we have received a number of comments and complaints from foreign governments and foreign companies that expressed concern about the trade barrier embodied in the new statutory provision.

Question 68. Section 8(a) of the present law states energy conservation and the achievement of economic and environmental benefits shall be objectives in local transportation planning. Has UMTA been able to give any clearer definition of those objectives to local communities other than the guidance outlined in the joint UMTA-FHWA planning regulations of September 1976? Are those regulations going to be updated? How much does UMTA intend to consider energy and environmental factors in actually funding Section 3 projects?

Answer. UMTA has given clearer definition to local communities on energy, economic and environmental planning objectives in a number of ways since the publication of the joint planning regulations. The primary guidance covering all

three of these subjects has been in relation to transportation systems management (TSM) planning. UMTA and FHWA provide technical assistance in connection with TSM, including TSM impact assessment, studying effects on air quality and energy, developing measures of effectiveness and TSM planning prototype studies. A TSM conference was held in 1975 and a second one is planned for November 1979. Various TSM training sessions for State and local planners have been held.

With respect to energy, UMTA has funded some prototype energy contingency plans and UMTA and FHWA have recently issued technical guidance on this subject, encouraging all metropolitan areas to prepare energy contingency plans.

With respect to air quality, UMTA is administering planning grants for EPA under Section 175 of the Clean Air Act Amendments. In addition, under section 176(d) UMTA will review Section 3 and 5 transit projects in Transportation Improvement Programs for conformance with State Air Quality Implementation Plans.

The joint planning regulations are now being reviewed, but we do not anticipate any major changes in this update.

Question 69. The Committee has heard allegations about unreliability of wheelchair equipment currently in use on transit buses. Is this a serious problem, and what is being done to improve lift technology?

Answer. The initial introduction in late 1978 of lift equipped buses into transit service revealed several operational and maintenance problems with those lifts, which have severely limited the service capability of this hardware. These problems, together with problems of public acceptance and concerns over safety, have resulted in many changes, product improvements and modifications to lift mechanisms by the operators, manufacturers and the lift vendors. Both major U.S. bus manufacturing companies are actively addressing the problem either by working closely with the lift suppliers (Flxible-Grumman) or by producing an internally designed unit (General Motors). Several transit systems have just initiated lift service (or will be shortly) with the newer or improved lift mechanisms—an indication that the design deficiencies have been overcome sufficiently to allow service at a reasonable confidence level. We will closely monitor their experience to assess the feasibility of revising the Advance Design Bus (ADB) procurement specification to incorporate these modifications. Revisions to the ADB specifications to require more stringent quality assurance provisions related to the design, reliability, maintainability, and testing of lift devices are currently being coordinated with the industry. We believe that such revisions will result in reliable lift bus operations as the initial product introduction problems are identified and solved.

Question 70. Several transit systems, including Metro right here in Washington, D.C. have recently negotiated agreements with their unions to permit the hiring of part time bus drivers. Do you believe this will make a significant contribution to transit productivity and efficiency? Please explain your answer.

Answer. Part time labor agreements have been recently negotiated in Washington and Seattle, while several transit properties (e.g., St Louis and Richmond, Virginia) have existing labor agreements that permit the use of part time bus drivers. Although it is not possible to quantify the impact of these changes at the present time, these labor agreement changes should improve transit performance. Because of the peak demand for transit service, very often many drivers work only during the A.M. and P.M. peak but are paid for a full (8 hour) day. On the other hand, part time drivers are only paid for the amount of time they actually work.

Question 71. The 1978 Act formalized a letter of intent procedure under which the Department may make long-range commitments of Federal funds for major transit projects (subject to the availability of appropriations). The procedure can be used to assist project planning, to promote community support for the project, and to secure necessary financing at the local level. How well is the procedure working?

Answer. No letters of intent have yet been issued under the 1978 Act. The Department is currently developing a format for such letters and is determining what letters of intent need to be issued. From our experience over the past few years in making administrative decisions similar to the new letter of intent procedure, we have found that placing a cap on the Federal cost for a project has been very helpful in controlling costs and in keeping projects on schedule, as well as in assisting the planning and financing of the projects as you mention.

Question 71a. Are commitments which were made prior to the 1978 Act being met?

Answer. Yes, it is expected that letters of intent will be issued, as appropriate, during this fiscal year to formalize Section 3 commitments made by UMTA in prior years.

Question 71b. What outstanding commitments presently exist?

Answer. In addition to projects which will be accommodated under established rail city routine funding levels, UMTA is committed to fund under Section 3 major

projects in the following cities: Miami, Detroit, Buffalo, Baltimore, Seattle, Denver, Atlanta, and the DPM demonstration program in Los Angeles, St. Paul, and Houston. In addition, there are other outstanding commitments which are being funded through the use of Interstate transfer funding. These projects need not be covered under a letter of intent.

Question 71c. How much authorization is available to make additional commitments against?

Answer. Table 7 to Activity I (page 37) of the UMTA fiscal year 1980-81 budget estimates shows the estimated level of Section 3 assistance available for letters of intent under the Surface Transportation Assistance Act authorizations for the fiscal years 1979-83. As can be seen, the Department estimates that approximately \$2,170 of the \$7,480 million authorization will be available for letters of intent, with the balance being accounted for as indicated in the Tables. The amount available for letters of intent will be needed to fulfill our standing commitments for on-going major projects in the cities discussed in the previous response. Funds available under the Interstate transfer program can also be used for new commitments.

Question 71d. Are additional commitments expected to be made for new starts? Where and in what amounts?

Answer. Under the five-year authorization concept for the section 3 program included in the 1978 Act, DOT will be submitting a request for Section 3 authorizations for fiscal year 1984 and fiscal year 1985 early next year. When Congress passes these in mid-1980, additional sums will be available for new starts. At that time, one or more new projects could be approved. In the meantime, any new starts would have to be approved under the Interstate transfer program. There are several potential new start projects which will be competing for funding. We do not know at this time in which city or in what amount the next new start commitment will be.

TABLE 7.—Section 3 funds available, fiscal year's 1979-83

	Millions
Section 3 total authorized/available for letters of intent.....	\$7,480
Less: takedowns:	
Fiscal year 1979 authorized, not appropriated.....	125
Fiscal year 1980 authorized, not requested.....	131
Fiscal year 1981 authorized, not requested.....	165
Takedowns for planning demonstration.....	310
Routine bus in excess of section 5.....	886
Urban initiatives.....	1,000
Subtotal.....	-2,617
Net section 3 available	4,863
Less: Established rail city routine funding levels	-2,693
Net section 3 available for letters of intent.....	2,170
Less: Letters of intent issued (city—none):	
Net section 3 available for new letters of intent.....	2,170

NOTE.—Outstanding commitments for ongoing major projects in various cities, totalling approximately \$2 billion, will be accommodated through issuance of letters of intent.

Question 71e. Are additional commitments expected to be made for extensions? for modernization? Where and in what amounts?

Answer. Yes, UMTA anticipates that additional commitments will be made for extension and modernization projects. Each such project is expected to be funded out of an area's established rail city routine funding level. This is a part of UMTA's fiscal year 1979 reprogramming request to implement a Section 3 funding strategy for the eight major rail areas (pp. 44-45 of the fiscal year 1980-81 budget estimates). Briefly, UMTA is proposing to establish annually a tentative Section 3 funding mark against which the major areas could flexibly plan for and advance justified bus and/or routine rail modernization and extension projects in each fiscal year. Any new commitments for such projects would be funded out of these tentative funding levels. New commitments for such projects may occur in any of the major rail areas. It is not possible to identify at this time what the projects' amounts will be. As with the fixed guideway new start projects, we expect Interstate transfer funds to be used to advance some new rail modernization and/or extension projects.

Question 71f. Are additional commitments expected to be made for the urban initiatives program? Where and in what amounts?

Answer. UMTA is planning on approving \$200 million in urban initiative projects for each of the fiscal years 1979-83. A broad range of transit related projects is eligible for funding under the urban initiatives program. These transit related projects must contribute to the revitalization of our nation's cities and could include joint development projects, intermodal terminals and transit malls. All projects must enhance public transportation, encourage economic and community development, and stimulate new employment among long-term unemployed and disadvantaged people in urban areas. On April 4, 1979, DOT issued its first quarterly report for the urban initiative program which announced grants totalling \$6,980,584 to Fall River, Massachusetts for an off-street transfer facility; Atlanta, Georgia for a bus-only transit area; St. Louis, Missouri for an administrative building; Denver, Colorado for the implementation of a central bus transfer facility and terminal; and Long Beach, California for the design of a transit mall. We anticipate that future reports will contain a much expanded list of projects as the program gains momentum.

Question 72. Last year, in subcommittee hearings on the administration's proposed bill, H.R. 10578, the Secretary testified that the proposed Section 3 authorization of \$3.7 billion over five years would be adequate to permit additional commitments to be made for major transit projects. Section 3 authorizations as enacted totaled \$7.48 billion over five years, some \$3.8 billion higher than proposed by the Administration. Adjusting the figure downward to account for the fact that rail modernization was originally proposed as part of Section 5, actual Section 3 authorizations are \$2 billion higher than proposed by the Administration. Can letters of intent for the \$2 billion be issued for new projects (plus whatever was possible under the Administration bill)? Considering the difficulty in getting additional commitments at all, not to mention \$2 billion in commitments, where would we had we passed the Administration bill?

Answer. I believe that the comparable difference between the amounts available for transit capital projects under the Administration's proposed legislation (H.R. 10578) and that available under the Surface Transportation Assistance Act (STAA) of 1978 is smaller than the \$2 billion figure that you cited. There are a series of separate calculations which must be made in order to provide a comparison of transit capital funding between H.R. 10578 and the STAA. First, since the primary funding source for routine rail modernization projects under H.R. 10578 was to be the Section 5 formula apportionment program, it is necessary to deduct such amounts from the STAA Section 3 authorization of \$7.5 billion in order to gain a comparison with the H.R. 10578 Section 3 authorization of \$3.7 billion. Given the current and proposed Section 3 budget levels for rail modernization projects, a total of approximately \$2.4 billion is a reasonable estimate of 5 year funding for rail modernization projects under the STAA which would have been funded under Section 5 in the Administration's proposal.

In addition, a 5 year total of approximately \$750 million is a reasonable estimate of bus funding under the STAA which otherwise would have been funded under Section 5 in H.R. 10578. The flexibility which would have been provided under Section 5 of H.R. 10578 would have required a much smaller Section 3 bus program than under the STAA. Finally, approximately \$200 million in takedowns for planning and innovative demonstrations covered under the STAA would have been accommodated under section 5 of H.R. 10578. These three adjustments, totalling approximately \$3.4 billion, reduce the difference between the two legislative versions to approximately \$400 million.

With respect to funding for new commitments, the Administration maintained that the overall H.R. 10578 funding level of \$14.4 billion (section 3, 5, Interstate transfer) was sufficient to make additional commitments for some new major transit projects. This is also the case under the STAA authorizations. We intend to make some new commitments from funds available under both Section 3 and the Interstate transfer provisions to implement major new fixed guideway projects.

Question 73. Red tape has been a consistent concern of this Committee. The new Section 18 program which provides financial assistance for public transportation assistance in non-urbanized areas is one in which this is particularly critical because of the relatively small amounts of money available. In implementing this program what specific steps are you taking to keep red tape to a minimum?

Answer. Within 4 weeks of the signing into law of the STAA of 1978, the FHWA and UMTA Administrators completed a Memorandum of Understanding outlining how the new Section 18 program will be jointly administered with FHWA responsibility for the day-to-day administration through its division offices in every State. By December 13, we were able to issue emergency regulations in the Federal Register establishing interim operating procedures to implement the program. These procedures stress the need to keep paper work and Federal requirements, other than those specifically required by the legislation, to a minimum. For exam-

ple, the published December 13 procedures state that the FHWA, "... Division Administrators are encouraged to apply timesaving and abbreviated procedures ..." as described in an FHWA memorandum on "Program Emphasis Areas Red Tape Reduction."

The only difficult issue relative to keeping red tape to a minimum is with the procedures for accommodating the 13(c) labor protection assurance. We have been negotiating with the DOL for an acceptable procedure which would permit application of a waiver in certain circumstances or a special warranty. This would preclude the cumbersome and time consuming project-by-project submission to DOL for 13(c) labor clearance as is the procedure for normal urbanized area transit assistance.

Question 74. Another concern we all share is the conservation of our scarce energy resources. This was one factor the committee considered when we adopted Sections 322 and 323 of the STAA which provides modest amounts of Federal assistance for the development of intercity bus terminals and to improve and ensure continuance of intercity bus service in rural and small urban areas. The President's budget does not request any funds for either program, and material submitted by DOT indicates that they can be funded under the new Section 18. The Budget commentary notes that the Administration "intends to fund such activities under existing urban discretionary and formula grant programs ..."

(a) How great do you think the needs for this assistance are?

(b) Where would you propose the funding come from since there appears to be a discrepancy?

(c) Given the 25 percent reduction from the authorization level for Section 18, how feasible is it to expect funding for 322 and 323 projects? (Total authorization for all three = \$170 million ... Budget request for Section 18 = \$75 million).

(d) Has UMTA spent any money in prior years on terminal development projects? Where did the money come from? Where are the projects located?

Answer (a). One of this administration's important goals is the development of a well-balanced national transportation policy, one which assures that the basic mobility needs of our rural and small urban residents are met. We are now in the process of working with appropriate State, local and intercity bus industry officials to access the magnitude of the needs, so as to provide the report to Congress by September 30, 1979, as required by Section 22(d) of the UMT Act of 1964, as amended. Until completion of this study, an accurate assessment of needs can't be made.

Answer (b). Federal assistance to State and local public bodies can be provided through our section 18 program. Eligible costs would include 50 percent of the net cost of service agreements with private intercity bus companies, for service to rural areas and small urban communities, and possibly some capital costs.

Answer (c) As part of an effort to maximize the use of Federal funds and limit the size of the budget, the budget request of \$75 million for Section 18 represents a reasonable amount of funds needed for these programs.

Answer (d). UMTA has assisted in the funding of intermodal terminals for intercity bus service.

The following list includes the terminal development projects approved:

Project number	Grantee	Date approved	Federal funding (millions)	Remarks
IT-03-0004	PATH	Mar. 26, 1968	\$39.2	Journal Square (J.C.) Transportation Center.
NY-03-0006	NFTA	June 30, 1975	3.0	Transportation Center (Buffalo).
DC-03-0003	District of Columbia government	do	8.2	Union Station Visitors Center.
CA-03-0086	San Diego	June 27, 1976	2.1	Intermodal Transportation Center.
PR-05-0002	Caguas	Sept. 30, 1977	1.3	Transportation Center.
PR-05-0004	Mayaguez	Sept. 29, 1978	2.9	Do.

The funding for these terminal development projects was from both Section 3 and Section 5.

Intermodal terminals are also eligible for assistance under the Urban initiatives program.

Question 75. One of the basic principles agreed to during the consideration last year of the STAA was an appropriate balance of highway and mass transit funding.

Would you explain the thought process involved in your budget decisions which has led to unequal reductions which abandon the comparability?

Answer. In comparing the three year trend for fiscal years 1978, 1979 and 1980 in UMTA appropriations and FHWA obligations, it can be seen that UMTA appropriations have remained at a fairly consistent level of between 29 to 30 percent of the FHWA/UMTA total (29 percent in fiscal 1978, 30 percent in fiscal 1979, 29 percent in fiscal year 1980. In the same period, we estimate that UMTA total appropriations will increase by about 11.5 percent whereas FHWA obligations are estimated to increase by about 12 percent. The overall increases in both programs since fiscal year 1978 are therefore quite comparable.

Question 76. A goal of this Committee and the Department of Transportation has been the establishment of an assured source of funding for mass transportation. Is study being done on this issue, and, if so, has any progress been made?

Answer. Of course this was our major interest during the development and evolution of our legislative proposals for the transit program over the past few years. Given the constraints of the Congressional Budget Act, I am satisfied that the new program structure enacted as part of the Surface Transportation Assistance Act of 1978—providing for a rolling four-year authorization cycle (five years for Section 3) and advance appropriations—meets this objective. We have given consideration to the feasibility of various sources for a Trust Fund which could provide financing for transit, or all surface transportation programs, and the President announced in his Energy Message that a portion of the excess profits tax on petroleum would be used to fund mass transportation projects. Transit funding at the local level is another major concern of ours. Before we will provide assistance to a major investment project we need to be sure that the local area has committed itself to providing the necessary local share of the investment and the operating costs over the life of the project. We have an active research program under way which is designed to identify, develop and document various methods or techniques which are available to assist local areas in choosing their own mechanisms for providing this assurance.

Question 77. In fiscal 1979 UMTA proposes to shift \$55 million from rail modernization, system extensions and purchase of rail rolling stock into Section 3 bus procurement. The 1979 Appropriations Act already earmarked \$500 million for bus purchases through the Section 3 and Section 5 programs. Why is this additional \$55 million needed for the bus program? Which cities stand to benefit from this reprogramming? Is this \$55 million not also needed by cities with rail modernization or system extension projects? Which projects will be delayed as a result of this reprogramming?

Answer. The request to reprogram \$55 million into the Section 3 bus category reflects the tremendous accumulation of applications requesting assistance for bus and bus related projects. UMTA's policy has been fund justifiable bus projects, many of which have been practical to the advancement of transportation improvements in small and medium sized urban areas. Given this and other equally pressing demands on Federal capital assistance resources which exceed the potential availability of funding, UMTA must take an approach of staging the implementation of many projects. By following this procedure, we believe that the fiscal year level of capital assistance available for rail modernization and extension projects should the reprogramming request be approved would be adequate to continue the implementation of rail transit improvements, and that now specific projects per se would be affected.

Question 78. Regarding the waterborne transportation demonstration project mandated, with \$25 million in funding authorized, in the 1978 Surface Transportation Assistance Act, there is great interest in this project all over the country since it may very well demonstrate that high-speed water transportation can be a valid alternate to the automobile. Would you please comment on why the Administration has not seen fit to request funding for this project.

Answer. There is a current waterborne project in New York City which was funded with a \$995,000 grant in 1976. The purpose of the grant was to procure high-speed boats for use in commuter and recreational transit service and as a replacement for the regular Staten Island Ferry boat from midnight until 6 a.m. Due to delays caused by 13(c) labor protections and administrative difficulties in preparing suitable bid documents, inflation made the original cost estimate obsolete. Also, new and apparently better but more expensive boats became available.

It was decided by the Tri-State Regional Planning Commission and UMTA that no operation would be funded under the original grant, but a feasibility study would be performed to determine the cost of operating more expensive, higher capacity boats over a variety of routes and types of service. This study will give for the first time an accurate picture of the service that will be possible at various funding levels. We

expect the results of the study will be available within the next two months and will provide the type of detailed information necessary to consider further the demonstrate authority.

Any decision will be influenced by the Administration's overall objectives with respect to the Federal budget deficit.

Question 79. The Administration's failure to make such a request is all the more incomprehensible in light of the fact that in 1976 there was an UMTA grant of almost a million dollars to the Tri-State Planning Commission for determining the market and waters where this service could be used in the New York area. Would you comment, please?

Answer. As mentioned in response to the previous question, no operations were conducted under the grant and most of the money remains unspent. A feasibility study will be performed which will enable a rational decision to be made as to whether or not additional funds will be requested and, if so, what the amount should be.

Question 80. Last week, Grumman Flexible announced that it would not bid on Transbus. AM General dropped out of the race some time ago. And everything I've heard and read leads me to believe that General Motors will likewise elect not to build the controversial Transbus. It appears that no American manufacturer is interested in building Transbus. If no American firm bids, will you accept bids from foreign manufacturers? Will you accept bids from behind the Iron Curtain? What is the estimated cost of Transbus if (a) domestically produced, (b) produced by another Western nation, and (c) if manufactured by an Iron Curtain country? Have you examined the economic impact in terms of jobs and ancillary losses if Transbus is made outside the country?

Answer. On the May 2 opening date for the initial procurement of 530 Transbuses by the Consortium of Los Angeles, Philadelphia and Miami, no bids were received from any bus manufacturer—domestic or foreign.

In light of this, an independent scientific review panel will be established to analyze the bus specifications, performance and cost and to advise the Department whether this new bus can be produced for a reasonable price. Further procurement actions on Transbus will be deferred pending the findings of this independent review panel.

Any bids received from foreign manufacturers would have been considered if they had been received, with any bid—foreign or domestic—subject to rejection if not in the best interests of the buying consortium and/or the government. Prior to the bid opening date, we had no indication of interest from any Soviet or Eastern Europe manufacturer, but such bids would have been considered as noted above.

Although no bids were received, Transbus estimates ranging up to \$250,000 per bus have been publicized in news releases. We have no definitive price quotation or basis on which to assess the accuracy or validity of such a cost assertion. From data derived during the Transbus prototype development program, the cost of Transbus was estimated to be approximately 7 percent greater than the Advanced Design Buses (ADB's) which are currently being bid at about \$120,000 each with lifts. On this basis Transbus, if it were available today for a comparable delivery schedule, would be estimated at \$128,400 each. Since first Transbus deliveries are a minimum of four years from date of order, any Transbus price quotation would include an appropriate inflation factor and the quoted price would reasonably be expected to be greater than today's price quoted for ADB's. We have not made a cost estimate for foreign production of Transbus nor has such an estimate been made available to us.

No specific studies have been made on the economic impact in terms of employment or ancillary losses if Transbus were produced outside of the United States.

Question 81. Severe winter weather these past two years has focused our attention on problems of weather related immobility of transit systems. I am sure everyone here remembers the snow storm that hit Washington in February, crippling the city for several days. Even the Washington Metro system was shut down because of problems of snow removal. Is there any research being done on counter measures to this problem, either as part of your Downtown People Mover (DPM) program or as a basic research project?

Answer. In expectation of the deployment of AGT systems in the near future in several major cities under the Downtown People Mover program, a DPM Winterization Testing program was initiated during the 1978-79 winter to characterize the winter operational capabilities of several AGT systems. Under this program, UMTA contracted with three potential DPM system suppliers to conduct operational testing of their systems in a winter environment and provide the data and results to UMTA: Westinghouse Electric Corporation, Otis Elevator Company and Universal Mobility, Inc. During the conduct of the testing by each contractor, the areas of winter operational capability as well as problems of each were identified. Methods

that each can use most effectively to remove accumulations of snow were also tested. Now these system manufacturers, using their own funds, are developing methods and hardware to improve the winter operational capabilities of their systems. UMTA plans to have them conduct additional testing during the 1979-80 winter season to gain adequate confidence in their winter operational abilities prior to installing a DPM system into any northern city. Also, under the R&D grant to the Dallas-Fort Worth airport mandated by the Congress to upgrade capabilities of the Vought Airtrans system to make it suitable for urban deployment, UMTA has had Vought include a substantial test program (approximately \$1 million) to verify the winter operational capability of the subsystems of the Airtrans system. During this program all key subsystems are being subjected to testing with icing spray and temperatures down to -30°F in special environmental chambers. Conditions and equipment are being cycled and force measurements are being made to allow assessment of operational margins. Testing has included systems for steering, door operators, power collectors and rails, and braking. At the conclusion of this program late in 1979, Vought will have significantly improved the winter operational capabilities of its system and be ready for full system operational testing under winter conditions. A project is under way in the rail transit research program to evaluate power rail icing problems and to develop improved deicing equipment. UMTA is also participating on an industry task force which was established to identify short and long range solutions to the winter problems experienced on the Chicago and Washington rail systems. A task force report, to be released this June, will provide recommendations for future technology development in the area of winterization.

Question 82. The Vought Corporation, which developed the Airtrans system at the Dallas-Fort Worth Airport, has proposed a \$20 million, four-year program to develop and refine both vehicle and track countermeasures. Do you see any value in such a program and would you support it?

Answer. There is no question in my mind that no matter what transit technology we deploy in our nation's cities, cold weather remains one of the most challenging requirements to deal with. In the past, UMTA has funded a number of cold weather research activities oriented toward operation and technology approaches to better cope with cold weather. More research in this area would be worthwhile, but I think that a \$20 million four-year program spread out to evaluate the feasibility of a wide range of approaches would not be as effective as a more structured program focused on one or two key areas. We have an on-going cold weather research effort with three people mover suppliers and any additional funding for this research area could be integrated with that on-going work.

Question 83. The 1978 Act authorized \$40 million a year to build and improve bus terminal facilities, particularly intermodal terminals. Yet the Administration requested no money for this program in the budget. Do you not agree that in many cities, new terminals, located in better parts of town and better equipped to handle passenger services, would encourage more people to take the bus rather than drive? Is it not a policy of the Adams' administration to get people out of their cars? Do you agree that one of the disincentives to taking the intercity bus is the difficulty in making connections with other modes? Would not more intermodal terminals then promote more bus ridership? Since intercity bus ridership is composed mostly of lower income people who cannot afford other modes or even, in many cases, a car, do you consider it in the public interest to make taking the bus safer and more attractive?

Answer. We believe improved intermodal terminals to be a very important element of our goal of making transit an attractive alternative to the use of the automobile. We did not seek funding for Section 21 this year because we felt its provisions could be carried out through other sections of the UMTA program. The Urban Initiatives Program, in its first year of existence, provides \$200 million for a variety of transportation projects which contribute to urban economic development. Many of the applications to this new program have been for intermodal terminal development.

In addition, other portions of the Section 3 capital assistance program, Interstate Highway Transfer funds, Section 5 funds, and FAUS funds allocated to urbanized areas may be applied to costs associated with development of intermodal terminals. With funding available from these other sources, we saw no need to seek appropriations for the Section 21 program at this time.

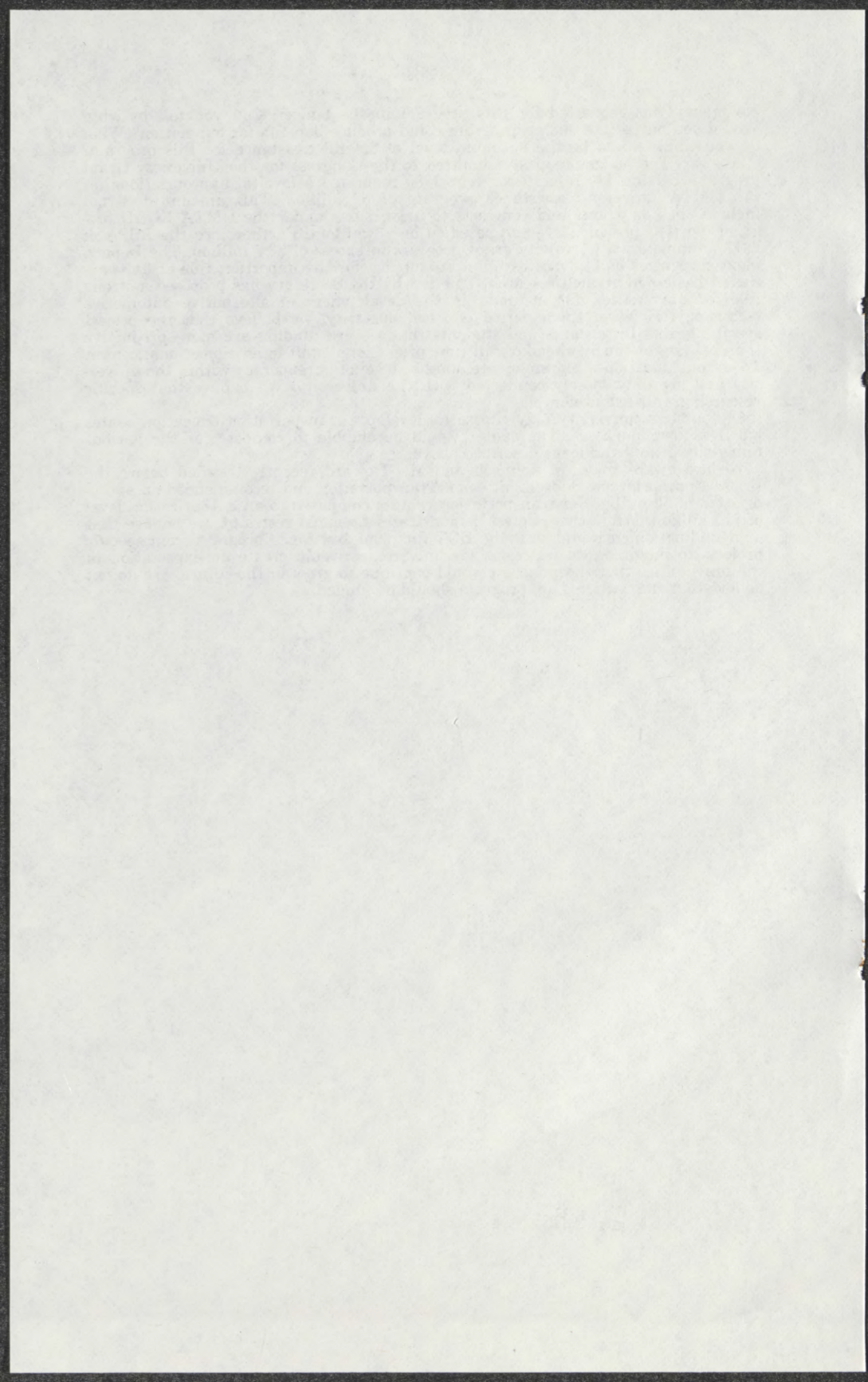
Question 84. The 1978 Act authorized a new university research program designed to utilize the existing expertise and capabilities of transportation centers at institutions of higher learning. The Committee supported this program because of a concern that existing research serves merely to support government projects. We were also dissatisfied with the level of university research activity, particularly in view of the potential contributions universities can make to transportation policy.

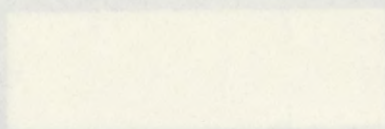
No money was requested for this program in the budget. Can you tell us why? Would you agree that such a program could produce benefits for our nation? What do you think would be the optimum level of federal assistance for this program?

Answer. The budget request submitted to the Congress for the University Grant program (Section 11(a)) for fiscal year 1980 requested a level of appropriations for the UMTA university assistance program of \$2 million. This amount does not include ongoing grants and contracts to universities under the UMTA RD&D program (Section 6) which are estimated to be \$3 million. Furthermore the RSPA of DOT administers a university grant program in excess of \$3.8 million. The Department recognizes and advocates financial support for the important role of universities in basic and applied research. This is why the Secretary has proposed a strong role for universities, for instance, in the development of alternative automotive technology. However, in a period of fiscal austerity, we believe that the project specific grants to teachers and students that we are funding are more productive than paying for the overhead of full time professional staff in an educational center. Too often educational centers create another level of bureaucracy within the university and are only loosely connected with the university. We believe that specific research grants are preferable.

Of course, a university may choose to develop a transportation education center for their own purposes. The center would be eligible to compete for the various university grants and loans described above.

We are aware that Mr. Johnson and Mr. Howard recently testified before the House Appropriations Subcommittee on Transportation and recommended an appropriation of \$3 million for transportation centers compared to an authorization level of \$10 million. While this request demonstrates financial restraint, we believe that any funding which would shift the DOT financial assistance program from specific projects to maintenance programs for universities would create an expectation in the universities that the program would continue to grow in the future. We do not believe that the Section 11(b) program should be funded.







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