

**NATIONAL HIGHWAY SYSTEM DESIGNATION ACT  
OF 1994**

Y 4. P 96/10: S. HRG. 103-755

National Highway System Designation...

**HEARINGS**

BEFORE THE

**COMMITTEE ON**

**ENVIRONMENT AND PUBLIC WORKS**

**UNITED STATES SENATE**

**ONE HUNDRED THIRD CONGRESS**

**SECOND SESSION**

ON

**S. 1887**

A BILL TO AMEND TITLE 23, UNITED STATES CODE, TO PROVIDE FOR THE DESIGNATION OF THE NATIONAL HIGHWAY SYSTEM, AND FOR OTHER PURPOSES

JUNE 6, 1994—BOZEMAN, MT  
JULY 15, 1994—WASHINGTON, DC

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



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# C O N T E N T S

Page

JUNE 6, 1994

## OPENING STATEMENT

Baucus, Hon. Max, U.S. Senator from the State of Montana .....	1
--	---

## WITNESSES

Abercrombie, Gail, executive director, Montana Petroleum Association, on behalf of Montana Highway Users Federation, Helena, MT .....	27
Alsaker, Dan, chairman, governmental affairs committee, National Association of Truck Stop Operators, Kalispell, MT .....	25
Prepared statement .....	80
Bower, Dwight, Director, Idaho Transportation Department, Boise, ID .....	57
Prepared statement .....	110
Cuellar, Robert, Deputy Executive Director for Transportation Planning and Development, Texas Department of Transportation .....	7
Prepared statement .....	71
Resolution of the Texas Transportation Commission .....	75
Diller, Donald D., president, Western Association of State Highway and Transportation Officials, Cheyenne, WY .....	53
Prepared statement .....	95
Dye, Marvin, Director, Montana Department of Transportation, Helena, MT ..	55
Prepared statement .....	98
Howard, Richard L., Secretary, South Dakota Department of Transportation, Pierre, SD .....	59
Prepared statement .....	111
Irvin, Dwayne, chairman, Montana Motor Carriers Association, Shelby, MT ...	30
Prepared statement .....	84
Moore, Marshall W., Director, North Dakota Department of Transportation, Bismarck, ND .....	61
Peña, Hon. Federico, Secretary, U.S. Department of Transportation .....	34
Prepared statement .....	89
Reiter, Sandra, secretary-treasurer, Empire Sand and Gravel, Helena, MT ....	28
Sandvik, Helvi, Deputy Commissioner, Alaska Department of Transportation, Juneau, AK .....	4
Letters submitted for the record .....	119
Slater, Hon. Rodney, Administrator, Federal Highway Administration .....	39
Prepared statement .....	92
Vidal, Guillermo, Executive Director, Colorado Department of Transportation	6
Weaver, Richard A., Chief Deputy Director, California Department of Transportation .....	9
Prepared statement .....	77
Weisert, Carol, sales director, Bozeman Holiday Inn, Bozeman, MT .....	23
Wosepka, Moe, Rocky Mountain Trade Corridor, Montana Chamber of Commerce, Helena, MT .....	21
Letters submitted for the record .....	165

## ADDITIONAL MATERIAL

S. 1887 .....	173
---------------	-----

## Statements:

Alternative Energy Resources Organization .....	162
Citizens for a Better Flathead .....	114
Oregon Department of Transportation .....	124
Transportation Users Leadership Alliance .....	169
Western Highway Institute .....	115

JULY 15, 1994

## OPENING STATEMENTS

Baucus, Hon. Max, U.S. Senator from the State of Montana .....	177
Boxer, Hon. Barbara, U.S. Senator from the State of California .....	183
Lautenberg, Hon. Frank R., U.S. Senator from the State of New Jersey .....	180
Kempthorne, Hon. Dirk, U.S. Senator from the State of Idaho .....	179
Reid, Hon. Harry, U.S. Senator from the State of Nevada .....	182
Simpson, Hon. Alan K., U.S. Senator from the State of Wyoming .....	180
Warner, Hon. John W., U.S. Senator from the Commonwealth of Virginia .....	184

## WITNESSES

Armstrong, Bill, Jr., chairman, highway division, Associated General Contractors .....	198
Prepared statement .....	232
Eisenberg, Albert C., member, steering committee, The Surface Transportation Policy Project .....	209
Prepared statement .....	245
Lamm, Lester P., president, Highway Users Federation .....	201
Prepared statement .....	236
McKenna, Dianne, Vice Chairman, Oakland Metropolitan Transportation Commission .....	208
Oldham, Sally, president, Scenic America .....	213
Prepared statement .....	251
Peña, Hon. Federico, Secretary, Department of Transportation .....	185
Prepared statement .....	217
Rezendes, Kenneth R., chairman of the board, American Road and Transportation Builders .....	199
Prepared statement .....	233
Roberts, William J., Environmental Defense Fund .....	211
Prepared statement .....	248
Shackelford, Wayne, Commissioner, Georgia Department of Transportation .....	193
Prepared statement .....	222
AASHTO transportation policy resolutions .....	227
Slater, Hon. Rodney, Administrator, Federal Highway Administration .....	190

## ADDITIONAL STATEMENTS SUBMITTED FOR THE RECORD

American Automobile Association .....	254
American Trucking Associations, Inc .....	256
Associated Builders and Contractors, Inc .....	271
Blue Ridge Interstate Impact Network .....	273
Carroll County Chamber of Commerce .....	275
Citizens for Appropriate Rural Roads .....	277
CoastalChem, Inc .....	281
Construction Industry Manufacturer's Association .....	288
Evans Loosley, Inc .....	288
General Accounting Office .....	290
Hoosier Environmental Council Action Fund .....	302
International Bridge, Tunnel and Turnpike Association .....	306
Intelligent Vehicle Highway Society of America .....	309
Meskill, Dr. Victor P., president, Dowling College .....	321
National:	
Asphalt Pavement Association .....	323
Governors' Association .....	327
Industrial Transportation League, The .....	328
Stone Association .....	329
Protect Our Woods .....	331

	Page
Public Citizen .....	335
Rubber Pavements Association .....	355
Seibert, Gary .....	357
Sierra Club, Houston Regional Group .....	360





# NATIONAL HIGHWAY SYSTEM DESIGNATION ACT OF 1994

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MONDAY, JUNE 6, 1994

U.S. SENATE,  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,  
*Bozeman, MT.*

The committee met, pursuant to notice, at 9:30 a.m. in the Montana State University Ballroom, Bozeman, MT, Hon. Max Baucus [chairman of the committee] presiding. Present: Senator Baucus.

## OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. The hearing will come to order. I first want to welcome everybody here today. The interest here illustrates the importance of surface transportation issues to the West, and particularly here in Montana. I also very much thank those of you who have come great distances for this hearing.

I'm going to make a brief statement, and then we will hear testimony from our distinguished witnesses. We have a large number of witnesses here today. In the interest of time and to be fair to everyone, I would ask each person who testifies to please limit his or her remarks to about 5 minutes. Your full statements will be included in the record. They'll be read. We'll go over them. But to help give time for me to ask questions and to allow witnesses to answer questions and to comment more fully, I would ask you to please make your formal statements very brief.

Transportation Secretary Federico Peña and Federal Highway Administrator Rodney Slater will arrive later this morning. I think they're due in around 10 o'clock. Therefore, we will begin. I'll make a brief statement and we'll hear from our first panel, and then we'll get to them.

We are here today to discuss the designation of the National Highway System, otherwise known as the NHS. As we all know, maintaining and expanding our country's National Highway System is not easy. For example, in our State, in Montana, there is no greater priority than our highway system, with limited rail and air service and no navigable river system. To paraphrase Vince Lombardi, Montana's highways are not everything; they are the only thing. They mean jobs and they are critical to the quality of life for each person in our State.

We talk a lot about the information highway these days, fiber-optic cables, and other high-tech ways to invest in America. That's all good. But whether you are a trucker or a wheat exporter or a tourist, the time comes when you've got to get in the car and get

moving. That is never going to change. So when people tell you about all the shiny, new high-tech stuff, they all too often forget that roads, ports, railway tracks and bridges are still what gets us from here to there.

Throughout our history the wisest of our leaders have recognized this. They understood how important it is to invest and improve basic infrastructure. The commitment dates all the way back to John Quincy Adams, Henry Clay and the networks of dirt roads and canals they promoted in the first half of the 19th century. A young Congressman from Illinois, Abraham Lincoln, made a name for himself by backing these proposals.

But we did not make a full commitment to infrastructure until 1956, when President Eisenhower began construction of the interstate highway system. His achievement in creating this system was so great that today very few people ever stop to even think about it. It is no exaggeration to say that Eisenhower did as much for us by committing us to the interstate as he did by leading us in World War II.

I think it's fitting that the day we're having this hearing, in some sense the Eisenhower interstate system, on the day we commemorate the 50th anniversary of D-Day.

The interstate system has no rivals. It is the world's largest, safest and best transportation network. It turns impassable obstacles—that is, mountain ranges, forests, deserts—into scenic attractions. It ties all the States together very well. For us in Montana to the coast and to our markets abroad. The interstate network is a direct link from the Montana farm and ranch to the Great Lakes and the Pacific Ocean. It gets our wheat to Russia and our beef to Japan. We would not be viable in the modern economy without it.

Our competitors, that is overseas competitors, do not take their infrastructure for granted. While we in America invest less than 2 percent of our gross domestic product in our infrastructure, Germany spends 3.7 percent and Japan spends 5.7 percent. If we are to get our goods to market and move our people efficiently, we must do better.

Congress began reversing this trend when we passed the Intermodal Surface Transportation Efficiency Act, otherwise known as ISTEA, in 1991. ISTEA calls for a broader focus and a shift in the way we finance transportation projects. It also coordinates environmental and transportation policies, encouraging Federal, State, and local governments to work together. It also put a lot of money into this Nation's transportation system. To be specific, ISTEA authorized \$151 billion in Federal spending for upgrading surface transportation systems over the next 6 years.

And ISTEA is good for Montana. We receive about \$2.31 for every dollar we contribute to the Highway Trust Fund.

So while we are putting a lot of money into the system, it won't be enough unless we are smart and set the right priorities. ISTEA strives to do so by moving this country beyond the interstate era into the National Highway System era.

ISTEA requires Congress, within the next 17 months, to approve a successor to the interstate: the National Highway System.

The National Highway System, in brief, is a network of critical roads that carry the bulk of our commerce. State governments have

cooperated with us in developing it by identifying more than 159,000 miles of road as the backbone of our transportation system.

These roads make up only 4 percent of the nearly 4 million miles of our public roads. But as time passes, they will carry over 40 percent of the highway traffic and 70 percent of commercial truck traffic. Given our shortage of Federal money, we need to use what funds we have to maintain and improve the most important roads. So by identifying the NHS routes, States will help themselves target their money to make sure highways that get the most use are also the safest and most efficient. That is exactly what we need to stay competitive.

The National Highway System's importance to a successful NAFTA is one obvious example. Almost three-fifths of the U.S./Canada freight and four-fifths of the U.S./Mexico freight moves by truck. And, as I said earlier, 70 percent of our trucks use the NHS roads. If we let them decline, we will lose much of what we hoped to get through NAFTA last year.

The National Highway System is especially vital to rural areas, areas where highways are the only method of transportation. While we can no longer afford to view our transportation system as a collection of unconnected rail, water, and road networks, we also need to keep a focus on the needs of rural areas.

For Western States, immediate attention to the National Highway System is critical because we have no alternative. We do not have the mass transit and water transport systems that a lot of other States depend on. We never will have them because we're big and we're dry. It doesn't rain a lot, and we have no large cities. Because we are a rural State, highways are critical to our economy, our way of life, and the travel and tourism revenue we depend on.

A word about tourism. Many tourists will use some portion of the NHS in the future. By linking population centers with national parks and other tourist attractions, the NHS can help develop areas in Montana, throughout the West, and in other rural areas around the country, that only the blue highways serve today.

These ideas are at the heart of the bill I introduced last March, the National Highway System Designation Act of 1994. The National Highway System bill is very important to me. I want to see it pass this year. I want to see us meet our deadline for identifying the NHS roads. This bill is in the national interest. It means jobs. It means growth.

The National Highway System plan proposed in my legislation vastly improves a faulty National Highway System plan proposed in 1991. The original 1991 National Highway System plan virtually ignored the needs of large, sparsely populated States like Montana. Many communities would have been left stranded at the side of the road had the original plan been approved. I also don't believe the original plan was adequate to provide for the transportation needs of the entire country. Many of the States represented at this hearing were also shortchanged in the original plan. So we sent the Department of Transportation back to the drawing board.

The new proposal in the National Highway System bill that I have sponsored now links up Montana towns—places like Lewistown, Thompson Falls, Circle, Sydney, Jordan, Broadus, Miles City, Roundup and Malta—that earlier proposals left out.

And it means a future transportation policy that makes good sense. The National Highway System bill emphasizes "intermodal connectivity." For those of us who are still limited to the English language, that means using all kinds of transport, not only highways, but the railroads, waterways and air connections that connect major population centers, border crossings, ports and airports. If we keep them in peak condition, we will serve our country well, make our country more competitive and increase the local economy. By hearing from all the witnesses today—we have a very full agenda, as I've mentioned. I think we agree that NHS is essential.

The first panel will include Ms. Helvi Sandvik, Deputy Commissioner for the Alaska Department of Transportation; Guillermo Vidal, Executive Director of Colorado Department of Transportation; Mr. Robert Cuellar, Deputy Executive Director for Transportation, Planning and Development, Texas Department of Transportation; Mr. Donald Forbes, Director of Oregon Department of Transportation; Mr. Richard Weaver, Chief Deputy Director for the California Department of Transportation.

Ms. Sandvik?

**STATEMENT OF HELVI SANDVIK, DEPUTY COMMISSIONER,  
ALASKA DEPARTMENT OF TRANSPORTATION, JUNEAU, AK**

Ms. SANDVIK. Mr. Chairman, I am Helvi Sandvik, Deputy Commissioner of the Alaska Department of Transportation and Public Facilities. On behalf of the State of Alaska, I appreciate the opportunity to testify today.

Alaska has several concerns about the designation of the National Highway System and the Intermodal Surface Transportation Efficiency Act of 1991. I would like to address a few of these at this time.

First, Alaska supports the designation of the National Highway System, but we also believe it is important to recognize the unique aspects of transportation system needs in each individual State.

As an example, of the 3,521 National Highway System miles in Alaska, 1,911 of these are traveled by the eight vessels of our marine highway system. Policies directed towards the National Highway System must recognize the unique characteristics of our diverse States.

Second, Alaska opposes uniform national standards for the National Highway System. Each State has different conditions, Alaska especially. One size fits all has never offered the best solution and doesn't now. Flexibility is a must and should be spelled out as a congressional intent.

Alaska is an advocate of multi-modal transportation systems. Alaska lacks surface transportation, like our southern sister States have. Seventy percent of Alaska's communities are connected by railroad or rail and they depend totally on air or water transportation.

Alaska has 300 State-owned and operated airports, 8 ocean-going ferries, 60 major harbors and 500 miles of State railroad. Alaska encourages Congress to allow flexible use of ISTEA monies so that airports, harbors, ferries and other modes of transportation can be developed.

Congress has imposed 19 separate highway or transportation funding sanctions which detract from the development of physical transportation facilities. Through its legislature Alaska has adamantly opposed the "stick and carrot" approach of the Congress to force States to adopt unwanted laws and regulations. Prime among these is the mandatory motorcycle helmet law, which has yet to be adopted by the majority of the States.

Alaska suggests the separation of seatbelt and helmet laws in ISTEA. At last count, 48 States have seatbelt laws. Only 22 have helmet laws. Sanctions are neither fair nor equitable and seldom accomplish the desired result, as can be witnessed by the failure of States to enact motorcycle helmet laws. The States have obviously placed State rights above the monetary sanctions, monetary penalties of congressional sanctions.

Alaska opposes the mandate which stipulates the requirement of crumb rubber use in asphalt pavement. In Alaska we don't even have a sufficient supply of old tires. Even if we did, because we don't have a machine to crumble the rubber, we would have to export our tires, grind up the rubber, turn around and ship the ground rubber back to Alaska for use. This is very expensive. It is not efficient; nor does it contribute to the resolution of environmental concerns that affect our State.

Another concern of Alaska is the management system requirements of ISTEA. We oppose mandatory management systems, in that they really accomplish little, cost a lot, and are geared to producing more paper than results.

Alaska is concerned with air quality. We oppose inconsistent Environmental Protection Agency regulations on air quality. Congress and the DOT should take a more active role to, number one, assure reasonable regulations by EPA to fit a variety of conditions and, second, require a positive cost benefit ratio before arbitrary regulations are enforced. Present carbon monoxide for nonconformance sanctions by EPA is 9.5 parts per million on our highways. However, 35 parts per million carbon monoxide is allowed in factories by the EPA. What sense does this make?

Alaska must sand icy roads 7 to 8 months of the year. This increases our PM-10 levels. Sure, we will have dust. But we question whether or not the concern about head-on collisions are any less a risk than dust.

Metric conversion is also a concern. We oppose metric conversion in its present form. Until the U.S. manufacturing industry is made to convert, changing plans to metric won't help. Lumber, steel, culvert and reinforcement steel are still produced using English measure. The Department of Transportation and Public Facilities produces plans in metric measure and contractors convert back to English in order to get materials and build the projects. Computer programmers love this totally redundant exercise.

Instead of being a leading agency, we feel the DOT has become a follower of other Federal agencies. There is little, if any, support with other Federal agencies. The Clean Water Act has many burdensome provisions and has negative cost benefit ratios on most transportation projects. Alaska's rivers carry heavy glacial silt loads. Most of our rivers are by nature's hand more semi-solid than liquid. What sense does it make to purify highway runoff nonpoint

sources to drinking standards and then dump it into a naturally silt-laden river? Where is the cost benefit? Where is the reason or common sense? Where is Congress? Where is DOT?

I would like to thank you for the opportunity to testify today. And I also have written comments.

Senator BAUCUS. Thank you very much.

Mr. Vidal?

**STATEMENT OF GUILLERMO VIDAL, EXECUTIVE DIRECTOR,  
COLORADO DEPARTMENT OF TRANSPORTATION, DENVER, CO**

Mr. VIDAL. Thank you, Mr. Chairman. My name is Guillermo Vidal. I'm the Executive Director of the Department of Transportation for Colorado. I am pleased to testify today at these hearings under the designation of the National Highway System and implementation of the Intermodal Surface Transportation Efficiency Act. I've only been the Executive Director for 2 months, so this is a real honor for me to represent my State at these proceedings today.

With me today is Commissioner Flodie Anderson, who is one of 11 transportation commissioners in the State of Colorado.

Our belief is that we are at the pivotal point in development of the national transportation policy. The NHS will serve as a basis for infrastructure and investment and prioritization well into the 21st century. We believe the establishing of the NHS is very important to Colorado. Colorado's submission was developed with extensive Federal, State, regional and local government participation. It represents statewide priorities. The NHS will be the backbone of Colorado's transportation system. Its passage enables us to implement these priorities.

Furthermore, the diverse demographics and geography in Colorado create a demand for highways that provide linkages from out-reaching areas to airports and rail and transit terminals, very much in the comments you made about the rural areas this morning.

Tourism and agriculture provide the economic base for rural areas of the State. Designation of Colorado's NHS submission will ensure appropriate access to these resources for the current and future generations. This is important to Colorado, that on May 5, 1994 the Colorado General Assembly unanimously passed a resolution urging Congress to pass the NHS by September 30, 1994. So we're very interested in getting an NHS bill this year as well.

We also believe the importance of the NHS to the West. Just as the NHS will provide important linkages within Colorado, it will also play a vital role in linking urban and rural areas of the West. The Western States recognize the value of these linkages and designated compatible NHS roots from State to State.

We also realize the importance of an NHS to the country. The efficiency of the NHS and the intermodal systems it will support are important to U.S. global competitiveness. A case in point is NAFTA. NAFTA will create new transportation demands. Passage of the NHS will affirm a commitment to the investment needed to meet this challenge.

Colorado, due to its central position between Mexico and Canada, will need to meet transportation demands if the U.S. is to realize

the full benefits of NAFTA. The designation of NHS will allow Colorado to accomplish just that.

In regards to ISTEA implementations, I offer the following comments. We believe there are many positive aspects as set forth by ISTEA legislation. The planning processes have allowed all segments of our community to engage in a consensus of building regarding priorities set, as well as establishing a vision for the future of Colorado. And this has been a good experience for our State. The flexible funding provisions have helped us more effectively and efficiently spend our transportation resources.

Additionally, the acts of support for intermodalism has helped our State view transportation in a different perspective. This is why our State is so intimately involved in the development of IDHS.

A few of the aspects, however, that we are struggling with are the scrap rubber mandate and the motorcycle helmet law mandate. The scrap rubber mandate—while our department is a strong advocate of using scrap rubber for highway purposes, we find the cost of using crumb rubber modifier in pavement is very expensive and its performance, in many cases, unsatisfactory. We would like the flexibility to investigate alternative uses for scrap rubber.

For example, in Colorado in an area where we needed backfill material, we were able to use 450,000 old tires and ground it up into that backfill material. So we know there are other uses for that crumb rubber.

The motorcycle helmet law mandate, we support the use of helmets and we feel that authority to regulate traffic. Motor vehicle safety, however, lies within the State's boundaries. We do not feel the Federal Government should impose sanctions on the State for failure to comply with the mandate.

In conclusion, Mr. Chairman, I hope I have provided meaningful input as to the importance of NHS to Colorado and the country. In closing, I would like to make final points about the NHS.

ISTEA made a commitment to intermodalism and planning. Although this requires great involvement and work, it should result in a quality transportation plan for Colorado. The longer it takes to pass the NHS, the longer it will take the State and local governments to elevate NHS priorities in the planning process and allocate funds to those priorities. Since the NHS will provide the basis for the development of a greater transportation system, full implementation of ISTEA cannot occur until the NHS is enacted.

Colorado requests then that Congress pass an NHS bill as soon as possible. I also have a statement for the record and I appreciate your time.

Senator BAUCUS. Mr. Cuellar?

**STATEMENT OF ROBERT CUELLAR, DEPUTY EXECUTIVE DIRECTOR FOR TRANSPORTATION PLANNING AND DEVELOPMENT, TEXAS DEPARTMENT OF TRANSPORTATION, AUSTIN, TX**

Mr. CUELLAR. Good morning, Mr. Baucus. My name is Bob Cuellar. I'm the Deputy Executive Director for the Department of Transportation of Texas. I'd like to thank you for the opportunity to share our thoughts on the National Highway System.

Prompt designation of the National Highway System is important to the economic growth and vitality of Texas and the Nation. We can only begin to do our best to plan, develop and implement the transportation system of tomorrow when the NHS is officially designated.

Our Texas Transportation Commission earlier this year adopted a resolution on the National Highway System. A copy of this resolution accompanies my testimony.

We are pleased to note that the National Highway System Designation Act of 1994 passed by the U.S. House of Representatives was consistent with our recommendations. We hope that the Senate will also provide for designation of the NHS as the Nation's primary highway network, a limited but adjustable NHS system, full Federal funding for the NHS, and continuing the State's role in NHS project selection and funding decision making, as outlined in ISTEA.

We also strongly support uniform but flexible national guidelines for applying existing design standards to the NHS. As the NHS bill makes its way through Congress, I would like to suggest that focus be placed on making sure that you continue to support and preserve the law's flexibility. The ISTEA gives States, in cooperation with local governments, the authority to decide where NHS and other Federal program funds may be most effectively used.

Under the ISTEA, statewide transportation planning has been changed significantly. States and localities have greater latitude to provide the appropriate mix of transportation modes to meet changing transportation demands across the State. These revolutionary changes and advances, in State and local decision making authority, must be protected. I encourage you to build on them and greater cooperative flexibility of the use of Federal transportation funds will best serve the citizens of our Nation.

Like Montana, Texas is a neighbor to a national trading partner vital to our country's future. One of the most important purposes of a National Highway System is to provide a system of principal arterial routes serving international border crossings.

As we proceed with implementation of NAFTA, it is clear that the transportation infrastructure system in Texas will carry the vast majority of future U.S./Mexico trade. Because 70 percent of all the Nation's commerce with Mexico travels on Texas highways, infrastructure development along the Texas border with Mexico is important not only to Texas, it is critical to our whole Nation. If the United States is to realize the full potential of NAFTA in terms of jobs and economic roles, the high priority corridors leading to and from Mexico and Canada are key components of the National Highway System and must be a primary focus for the Nation.

The development of reliable trade corridors through Texas from the Midwest to the Northeast will enhance the economies of those States, as well as the economy of Texas. Proposed trade corridors through El Paso and beyond to the Western States of the Nation will also provide vital arteries for the trade between our three nations. The National Highway System routes in Texas serve as a funnel for north/south travel. At the same time, improvements for border infrastructure in Texas will help keep this trade flowing smoothly.



We are encouraged by the increase in the Federal-Aid Highway Program funding in the U.S. Department of Transportation's 1995 budget proposal. However, the expected increase in trade brought on by passage of NAFTA will impose a greater responsibility on States along the Canadian and Mexican borders. Enhancements to the transportation system to better support international trade go beyond the basic responsibilities of States to meet statewide mobility needs.

Border States must carry the burden of ensuring that proper conduits for trade are in place. To help those States shoulder this burden, we feel that additional Federal funds are necessary. Existing funding formulas do not adequately address the basic needs of the States, let alone the additional effort to enhance the transportation system for international trade. International trade related improvements are in the best interest of the entire nation.

The designation of the National Highway System is a step in the right direction. With this designation, our State moved towards a new era for service transportation for the Nation. Texas is eager to join with the rest of the Nation as we usher in the next century with a transportation system that better supports our social and economic activities.

In many ways we in Texas have already begun the process. However, if we are to develop a transportation system that accurately reflects the changing dynamics of our State and Nation, we will need your assistance and guidance. The sooner we obtain NHS designation, the better prepared we will be to begin this new era in transportation for Texas and the Nation.

We, the States, feel that the threat of the loss of NHS and interstate maintenance funds, without NHS designation, is real. I encourage you to act now, this year, to obtain designation of the National Highway System to avoid the need for last-minute action next year.

That concludes my prepared remarks. I'll be glad to answer any questions.

Senator BAUCUS. I notice one of our witnesses is not here. I assume you're Mr. Weaver.

Mr. WEAVER. Correct.

Senator BAUCUS. Okay. Why don't you go ahead?

**STATEMENT OF RICHARD A. WEAVER, CHIEF DEPUTY DIRECTOR, CALIFORNIA DEPARTMENT OF TRANSPORTATION, SACRAMENTO, CA**

Mr. WEAVER. Thank you, Mr. Chairman, and all members that are here. Let me first say how pleased we are to really be invited and to have an opportunity to give testimony.

Fundamentally, California is satisfied with the process and the designation of the National Highway System. California's National Highway Systems were included in the United States Department of Transportation's transmittal to you, except for three small routes that provide access to the military facilities. And those are supplied off the STRAHNET, so that they were redundant. We're working with them and trying to straighten those out.

California's submitted 13 percent less than the allocation for the national system. We did ask the FHAA, and would ask you, to hold

our unused mileage for adjustments over the next 4 years. We had some adjustments; our road network is so large and we recognize the limitation of dollars that we set on a system, that we felt fit the national significance. And that's why we underann that.

We continue to support the need for federally legislated routes and the size of the NHS. But we do say that there is a role to be played by the Federal Highway Administration in those particular areas. And the routes that are not of national significance, we believe there ought to be greater flexibility. And that has also been said by some of my peers here at the table this morning.

Beyond this, we would like to see the Intermodal Surface Transportation Efficiency Act remain unchanged, with certain amendments as we go through this. I will cite some of those, of our concerns.

**Federal mandates:** State and local jurisdictions are being financially suffocated by the ongoing stream of unfunded Federal mandates. We have seen many of those: Clean Water Act, Safe Drinking Water Act, Clean Air Act, American Disabilities Act, Endangered Species Act, Fair Laborers Act and metrication. And I believe it was taken up in the Federal Efficiency Act, which pointed out many of those that were unfunded.

The increased use of these unfunded mandates has unfortunately coincided with the cutback and curtailment of Federal monies to the State and local governments. This combination of more unfunded Federal mandates and less Federal resources being distributed to all levels of government is a recipe for disaster. Being compelled to meet the Federal requirements or risk substantial fines or sanctions for noncompliance, State and local governments have had no choice but to raise local funds to pay for them.

We recognize the difficulty of retroactively paying for transportation related mandates Congress has already passed, but we would be heartened if in the future Congress would shoulder more of those financial responsibilities now saddled on the States and local governments.

**Minimum allocations:** The minimum allocations provision was an integral part of the ISTEA debate on the Federal process. To our dismay, it is being discussed in the appropriations process. We would argue that putting it on the table at this time makes total ISTEA vulnerable to dismemberment. Let's let ISTEA run its authorized course before we consider a major overhaul.

**Management systems:** My peers have also mentioned that, and I would echo that management systems are certainly there to bring us information that we need to manage our programs. But they have brought with it many different strings and attachments that go beyond the original purpose. And if you were to offer a nonpolicy change to ISTEA, the deletion of this requirement, the collective applause from most States would be deafening.

**Demonstration projects:** Not really an effective way of doing business. ISTEA went to great length to bring local governments, MPOs and State government working together to schedule work and projects. Demonstration projects water that down. The MPO partnership is stressed so soundly in ISTEA and we predominantly feel that needs to stay intact as we go forward.

Congestion mitigation and air quality improvement programs, maintenance of attainment areas: The funding for that program, as it was set up is ironic in that those funds will be cut off as we begin to attain those areas; funds would go away, thereby causing the problem again. We suggest that those funds be frozen for the remaining portion of the authorization.

Metric signing: We have been a long supporters of the concern for value added. Our secretary wrote letters both to Secretary Peña and Secretary Brown, to go forward with this. And when we receive the positive response, we then, after much despair, will begin to change into the metric system.

We would argue that we can certainly change the engineering siding, but the external side to the public has a long way to go and education needs to be mandatory. But we feel that whatever is done, it ought to be done collectively by all the States, not be done haphazardly.

The last issue that I would like to talk about is the border crossing and what happens after the GATT and the NAFTA agreement and funding that is occurring at the border.

We also front on the Mexican border and are prime recipient of Baja, California, of much traffic that is crossing there. By the year 2000 we expect to have somewhere in the neighborhood of 1.6 million crossings commercially.

The funding that has been assigned for crossing facilities is minimal and much of it is left unfunded and so cited in the California/Mexican International Border Report that was given.

The last part of this—and I would say—I would ask and encourage a separate funding source for border transportation and infrastructure improvements and ask you to look at that, and the funding in ISTEA for 1995 is certainly stated that it will be there. And as you have seen, we have not had full funding through the authorization, other than three times in the last 13 years. It is a great concern to us.

The border facilities are old. Some of the new ones are now being placed by the Federal Government, which is actually the border crossing itself, but does not take into account the investigations of equipment size, trucks, emissions, motor carriers, all those facilities that will affect all of our States as this equipment crosses and is dispersed throughout the United States.

The money is claimed to be in place again in the ISTEA legislation, and there is a great concern that it may not be.

I would put in one last suggestion, and that it might of interest and maybe that you would be willing to look at it and carry, and that would be a joint development with Customs, INS, DEA, the Border Patrol, USDA and ourselves with the most modern equipment that could be used, such as weigh-in-motion and looking at equipment for emissions and those types of things. It would be a joint venture and it could be done with quality. Funding may be of an issue. And we would like to propose at this particular time an idea of a privatization contract, where private organizations would be funding the process and it would be paid off—the debt service would be paid off through a user's fee, which all people will pay a fee, not necessarily all people be inspected.

Senator I conclude my remarks with that. Thank you very much.

Senator BAUCUS. I'd like to ask each of you the importance of getting this NHS legislation passed this year. How critical is it to you that we get the NHS map designated and passed by Congress this year? Does it make a lot of difference to you if we wait until next year?

As you know, the law must pass by September 30 of next year. Arguably, what's the big deal? Can we wait?

Whoever wants to respond.

Ms. SANDVIK. I guess I'll start. I believe it is important to go forward with the designation right now. If for no other reason than if you allow the debate to continue, we never get to a resolution. We're very quickly coming to the closure of the existing legislation on ISTEA. New issues are going to be brought to the table in the development of the following legislation for ISTEA. I feel it's important we make this step now and move forward so that when ISTEA comes up for renewal we can deal with other issues beyond—

Senator BAUCUS. How important is it to planning in Alaska?

Ms. SANDVIK. Realistically, not significantly important. For us, the challenge of meeting our basic transportation needs in itself is taking the bulk of our time. But the importance to Alaska is recognizing that the alternative means of transportation, the acceptance of the marine highway system as part of the National Highway System. But nonetheless, we do feel that it's important to state that there are national highway interests being addressed on Alaska's highways.

Mr. CUELLAR. It is important to Texas in the planning area, because as long as it is a tentative system, Texas has a very rich designation of a National Highway System, 13,000 miles. There's always a risk that we are not planning and designing and implementing the final National Highway System. There could be some cost repercussions here, that we are not centering our attention to the appropriate—the final and approved National Highway System.

Also, there's a great deal of interest in Texas and around the Nation for the establishment of some national transportation system. Recognizing that the NHS should be the backbone of the transportation system, the sooner we get the National Highway System designated and established, we can move on to the next segment, which is establishing the national transportation system.

Senator BAUCUS. Mr. Vidal? Mr. Weaver?

Mr. WEAVER. I would echo that. Anytime that there is indecisiveness, eddy currents occur. That's a nonproductive cost.

Mr. VIDAL. I think rather than repeat the statements I had in my speech, we feel, for Colorado, it is imperative that we get an NHS bill this year. We feel it's the backbone of our system. We've done a lot of planning already regarding the NHS system and getting all of our communities involved and getting priorities designated. It's imperative to have that so we can start allocating the funds to those priorities. So we feel it's extremely important.

Senator BAUCUS. What about all these demonstration projects the House has had on this bill? It's a complication here. I'd like very much to have NHS pass cleanly this year. The question is, how do we get here to there.

You know, demos have not always been included in the highway bills. I don't know how long ago it was. In 1982 the highway bill

had only, I think, two dozen demonstration projects. In 1987, I think, it jumped up a bit, about 300, and in ISTEA 600. So if present trends continue, we're lucky if we don't have 1,200 in the House-passed NHS bill.

The problem here obviously is the more there are demos, the more the core highway program is cut, fewer dollars allocated among the States and the more difficult it is for the State Department and for each of you, I would guess, to plan, as you attempt to do in your various States.

But I like your recommendations to this committee as to what we should do about the demonstration projects. Again, the more that are in there, the more, I think, it fouls up the system.

Mr. WEAVER. Senator, it's very ironic. For those of us who stand behind the scenes, we deplore them. And yet, it's almost as if you don't play in the game, you don't get into the mainstream. And I think we're in a vortex here. We would love for somebody to say no more, period. It does take away from the other planning processes that we have.

Senator BAUCUS. Is it your recommendation that there be none?

Mr. WEAVER. I would strongly say so.

Senator BAUCUS. Mr. Vidal?

Mr. VIDAL. Well, this is a difficult question to answer because Colorado submitted about \$20 million worth of demonstrations.

Senator BAUCUS. We've got one right up the road here, too.

Mr. VIDAL. And so we feel that there's an excellent need for these demonstration projects that we submitted and we would prefer an NHS bill with demonstration projects. However, if that is going to create obstacles for an NHS bill this year, we would certainly support a clean bill.

Senator BAUCUS. You'd prefer a clean bill this year.

Mr. VIDAL. Yes.

Senator BAUCUS. —rather than one with demonstration projects next year?

Mr. VIDAL. Right.

Senator BAUCUS. Thank you.

Ms. SANDVIK. I guess I also would have to say we're somewhat hypocritical in our views, in that we have a \$20 million proposal in there for construction of a new ocean-class vessel for our marine highway system and two feeder vessels, which by themselves are very significant, in that we do not have the capacity on our eight existing vessels to get our people and the millions—literally millions of tourists that are coming to the State of Alaska now to attach to the rest of our surface system. But at the same time, we do desire funding to address those needs. If that were to detract from the passage of the National Highway System legislation, we too would say let's deal with a funding mechanism for those special type projects in a different vehicle. But given the likelihood that these things will go forward, we're certainly not going to stand back and not—

Senator BAUCUS. That's a problem in our State. We'll lose about \$30 million of our allocation. We get about \$2 million only for a demonstration project. Of course, we set aside for some changes. Again, my strong preference is we not go in that direction.

What about some of these other changes you mentioned? Is it imperative, in your judgment, that some adjustments be made this year as opposed to the next ISTEAA?

Let's talk about crumb rubber, for instance. The House has modified a crumb rubber mandate. Is that modification something you could live with? Do you want more?

As I recall, the House version essentially cut its requirements, the same requirements for crumb rubber in various years, and also stated that up to half can be used for alternative ways.

Your reaction? Mr. Weaver.

Mr. WEAVER. California uses quite a bit of crumb rubber. We actually had about 340,000 tons of it put down last year and probably will double that again this year. Although we would use it, we think it ought to stand on its own and ought not to be mandated and there ought to be other applications.

We have a very unique, inventive recycled plastic sound wall that's a good example that's been filled with ground rubber for its balance. We felt that something like that would be very advantageous. And I've heard some people use it in fills.

So we believe that if the intent was to remove tires off the face of the earth, so to speak—or not remove them off the face of the earth, but at least consume them in other ways—

Senator BAUCUS. Obviously in California.

Mr. WEAVER. That we feel that it ought to have its own course in the industry. We'll drive it that way. We're finding there are some benefits to crumb rubber and we can reduce the thickness on long hauls and those types of things and the cost, but it's taken some cost development.

There are some health issues also that are out there, of course, that people are interested in.

Senator BAUCUS. But can you live with the House modifications to the crumb rubber provisions?

Mr. WEAVER. Well, we're shooting towards what they're proposing and not—we feel that it ought to be the State's right to determine that. We ought to be committed to doing that. We could live with that.

Mr. CUELLAR. Texas could live with those modifications also. But we would echo what's been stated before, that the initiation of a mandate of crumb rubber, when so little is known about its wearing capabilities, how it's going to behave under the increased load and the differing actual configuration of the new truck, configurations that could exist under NAFTA agreements, somehow mandating those is the caution that we would ask be taken in its implementation of crumb rubber.

Mr. VIDAL. I would echo the comments of my colleagues here and just would add that, you know, there are other uses for crumb rubber other than specified in the crumb rubber modifier, and so I think that's—

Senator BAUCUS. What are some of the others that come to mind?

Mr. VIDAL. Well, I had mentioned—I just heard California mention using it for their sound wall. We had used some in Colorado for lightweight fill material in areas where you don't want any settlement. It's worked fairly well for us. That was a good use.

Ms. SANDVIK. In Alaska mandating crumb rubber is absolutely ridiculous. We have communities that cannot even access their landfills. We are looking to building boardwalks in some communities. Basic transportation needs cannot be met in Alaska and have not been met. To require us to worry and waste time even thinking about how it is we're going to comply with a mandate such as crumb rubber in asphalt is ridiculous. That's where our position is.

There are environmental concerns, different concerns unique in our State, that we feel would be more appropriate to focusing our resources on. And we also believe that the other States have a right—should have the right to focus their resources on environmental concerns in their State. If it's crumb rubber, great.

Senator BAUCUS. As I'm sure you know, there are two Senators that keep reminding us how unique Alaska is, whether it's the Clean Water Act, Safe Drinking Water Act, Endangered Species Act, whatever it is. I keep hearing Alaska is unique. And I know it is. It makes it difficult to pass legislation.

I'm not wild about the crumb rubber provision either. I'm sure you know that there's one member of the committee—in fact, a ranking member of the committee—a strong advocate of crumb rubber. He was a prime mover in getting that provision. We're working with him to see if we can do something.

Let me turn a little bit to these management systems. Expand about those. Let's talk first about pavement requirements. Tell me what problems you have with it.

As I understand it, there are NHS regulations by the Department that States have to assess all public roads, whether they're Federal, State, or county. It's my understanding that that's caused a bit of a problem in various States.

Could you comment on that?

Ms. SANDVIK. I think the problem that we have with the management system mandates is we believe in management system tools when they are tools that we can utilize. For a long time we had a pavement management system and a bridge management system prior to the passage of ISTEA, and we utilized those systems and defined how it is that they can be used effectively.

To broaden the requirement and mandate that we must rely on management systems and develop these systems that are far more elaborate than our transportation system needs, to us, is where ISTEA is lost. We think ISTEA should encourage the use of management systems, but in that encouragement allow the States to adopt the appropriate management systems for the specific problems that they have with their systems.

Senator BAUCUS. What about assessment of roads? Take Federal roads in Alaska. If we're limited to Federal roads, would that—

Ms. SANDVIK. Well, I don't think the problem is necessarily having a management system tool. It's the definition of that tool, how elaborate that tool needs to be. And so long as you come up with the same result—and that is, for example, on pavement management, the level of deterioration, a credible tool, that should be sufficient, not something—a tool that is far more elaborate than your system needs.

Senator BAUCUS. Mr. Vidal?

Mr. VIDAL. I should mention to you I'm a foot soldier who's risen through the ranks of the department. I've been working in transportation my entire career. And I agree with the statements made by the representative from Alaska that the management systems are good as tools; but if they become mandates on how you establish priorities, then it becomes a problem because ultimately you do have to make a judgment call on what projects you end up constructing. There's a lot of other aspects to those decisions that are a lot deeper than just technical evaluation.

So we're struggling with the management system, but very encouraged in the type of information that it will give us, but we really don't want them to mandate for us the decisions that we must make.

Senator BAUCUS. To what degree is this ISTEA and to what degree is this comprehensiveness a consequence of department regulations that's a provision of the pavement management system requirements?

Mr. VIDAL. I don't know that I can answer that very well, but I think that a lot of it is lost in the interpretation of the bill along the line.

Senator BAUCUS. I'm informed a lot of this is interpretation of the regulations.

Mr. CUELLAR. I think the concept of the management systems in the areas in which we all know has some logical feedback about decision making and long-range plan and implementation, those being pavement and bridge management and very probably congestion management systems, are indeed areas that all of us as public servants have always been held accountable to. We need to have performance measures, ways of self-watching ourselves. This is pretty much initiated into the statewide and urban area plan development. I don't have as much problem with those as some of the ones we have problems even defining, the intermodal management systems, public transportation management systems. I think that's where we start having some real difficulty with it.

I believe, Mr. Chairman, the area—the concept you just mentioned right now, if we singled it down to Federal and State responsibilities, we would have a lot less difficulty with the entire concept. But safety management systems, where we are somehow being graded by the safety entities on roadways that we have no control over with our State DOT, there are county and city streets that are somehow being input into our management system and you are going to be asked to use as a report card on us. We have some real difficulty with those. If we could put it back into the areas where we have some degree of responsibility, we'd feel a whole lot more comfortable with it.

Senator BAUCUS. Mr. Weaver?

Mr. WEAVER. Yes. I can give you a practical experience—personal practical experience in the pavement management system, having been involved with the county of Fresno and a tax measure. As you know, in California we have some tax measures for transportation.

The county of Fresno had a pavement management system. I also ran the system using CALTRANS. The two did not correlate at all. Now, in fact, both of them made very logical decisions on how they would spend their money. It was done very judiciously.



But one system was based on ride score and the other was based on the pavement structure itself.

In this particular case, I think both judgments were probably accurate, but here was a case where there was disparity. And I could see this occurring just thousands of times all over, not only between States, but also between the local agencies. And then, of course, on the very local side, the very small cities, they don't need a sophisticated system. They need something that's very fundamental and very straightforward. This is very cumbersome to them.

Senator BAUCUS. You made some comments, Mr. Weaver, about mandates. That resonates among States. We also hear in Congress—you may know this, but we in this committee are doing our level best to address that concern. For example, we just passed the Safe Drinking Water Act in the full Senate, which dramatically reforms the Safe Drinking Water Act, and also significantly funds the reformed mandate. Small communities have a hard time meeting current requirements of their drinking water systems. This is not the time or place to go into it, but major changes, very much to the benefit of small communities.

It also set up a State revolving loan fund which is fully appropriated. It's \$600 million the first year. There are wholly new programs for drinking water systems. The authority for States to transfer water acts to a revolving loan fund or from the newly set up safe drinking water to smaller communities. Thirty percent forgiveness on principal and interest to distressed communities. It's going to go a long way to help communities in that area of the Safe Drinking Water Act.

We're doing the same with the Clean Water Act, changing the requirements, particularly in big cities. Houston, for example, and Dallas are going to find dramatic reductions in Federal requirements—storm water treatment, for example—in addition to more funding, section 319. So we're hearing the concern and we're addressing it, at least by statute, as well as we can.

With respect to ISTEA, we're trying to do what we can do there too. I know a big problem you have is with the Clean Air Act requirements.

Comment on that, if you could, please, these so-called CMAQs, what you're experiencing, what suggestions you might have for us.

Mr. CUELLAR. The Clean Air Act has been quite a challenge for us in the transportation arena. In Texas we have four areas that are considered nonattainment. In each of these areas there are, of course, other contributors to the air quality condition other than just mobile source areas.

The largest contributor is in Dallas/Fort Worth, where we have approximately 40 percent of the air pollutants that are contributing to the urban airshed are from vehicle emissions.

On the lower end of the spectrum, we have Beaumont, Port Arthur and Houston, where close to 15 percent is being attributed to the vehicle emission.

There seems to be a real concern in the transportation community that they are being held accountable for a larger percent of the budget for conformance with air quality standards than what they're contributing into the budget.

The utilization of the congestion mitigation air quality funding; there's been some very real start-up problems, which I'm hoping are all behind us. There's some real questions of definition between transportation and environmental agencies.

So other than those start-up problems that we've had, we feel that CMAQ funds, congestion mitigation air quality funds, are finally beginning to flow. Some clear definition from the Environmental Protection Agency helping us determine what are the appropriate expenditures will really help us out a great deal. We do have some funds that have accumulated in those funding categories which I know are a concern to a lot of communities, but we feel that we're moving forward on those.

Senator BAUCUS. Other comments?

Mr. VIDAL. We agree with the philosophy behind the Clean Air bill. I mean, it is important for us in Colorado. The brown cloud has always been a big issue. And I think it's something that we really want to take care of.

It's difficult to step through this issue when there's really not a whole lot of good information. The biggest problem we've had in Colorado is the PM-10 problem, which is really related to our sanding practices on roads. And it's pretty difficult to deal with because of cultural expectations to put sands on the road by the people of Colorado. So that's where we struggle. We've been using CMAQ funds to try and deal with that.

But the statements from the representative from Texas apply to us as well. It looks like the transportation community is being asked to try to control more than we are contributing, and I think we're struggling with that issue as well.

Mr. CUELLAR. If I could make one follow-up comment on that, Mr. Chairman. There is an issue, of course, that is very much on the forefront right now, that being the initiation into the interpretation that somehow there's a contributor of oxides of nitrogen, the NO<sub>x</sub> issue, that's going to clean air that was not in the legislation. It's somehow being interpreted by policymakers that it is—

Senator BAUCUS. Is that by the EPA?

Mr. CUELLAR. Right, that it is a contributor to ozone levels, which cannot be substantiated by any modeling information, that we are aware of. We are asking for some relief, that our urban areas not be found in nonattainment, not be considered to be in nonattainment, simply because NO<sub>x</sub>, is an increasing level. We believe the true indicator of ozone is hydrocarbons, which is in the legislation, and that should be the indicator.

What we find is a real dichotomy here, that as hydrocarbons decrease, they tend to decrease because of improvement in the optimal operating speed of a vehicle. That usually means moving towards an increase in the average driving speed of a vehicle, up to a minimum of about 15 miles per hour.

Senator BAUCUS. It's awfully hard out here in Montana. We drive faster.

Mr. CUELLAR. Well, as—well, it is very much in Montana. As that vehicle speed starts to increase, NO<sub>x</sub> begins to increase also. We're being held accountable for keeping both of those in a declining manner. Mathematically, it's close to a virtual impossibility.

We feel we're being put into a corner that we cannot get ourselves out of.

Senator BAUCUS. As I recall, I think the basic assumption in the 1990 Clean Air Act was that NO<sub>x</sub>, combining with VOCs, was causing ozone—more ozone.

You're saying now that—I've seen studies that that's not very much a question.

Mr. CUELLAR. That is correct. It seems like the information, the scientific information, only can link the volatile organic compounds interacting with sunlight. That is what is creating ozone. There's been no real connection made, that we're aware of to oxides and nitrogen.

Senator BAUCUS. I'd like to ask you about the NTS, National Transportation System. I hear the uneasiness among State transportation departments about the National Transportation System as it's being formulated over the next couple years. Here's your chance to give us your concerns on the record and what you'd like to see, how you'd like to see your department proceed as it develops its National Transportation System.

I assume you want a lot of local input into it. You want States to be able to have a lot of say as to what is and what is not in the National Transportation System.

Ms. ANDERSON. Mr. Chairman, in Colorado we've done extensive planning, but we're not there yet, on a State transportation system. We—I think that I can speak for the department in welcoming the idea of a Federal National Transportation System. But we aren't ready to have our input to it yet. We won't be for another 6 or 8 months.

I think that it's very important to get the local input. And in States that are still in the development mode, it takes a while to get them thinking, switched around from highways into a system.

Senator BAUCUS. Are you concerned that there may not be adequate attention given to local concerns?

Ms. ANDERSON. That's one concern. And I'm also concerned that the national system be pushed ahead too fast for some of the States that aren't ready to have the input.

Senator BAUCUS. What's a timetable that you think makes sense?

Ms. ANDERSON. For Colorado, we will have ours by January or February, we hope, of 1995. That would then put us in position to be happy to contribute to the Federal thinking.

Senator BAUCUS. Other comments?

Ms. SANDVIK. We in Alaska, of course, do view our entire transportation system as just that. We do not have a separation of highway system needs versus aviation system. It's by necessity because the majority of our communities are not linked by surface transportation. But by all means, we're supportive of a National Transportation System. But I do question whether there would be anything that could be gained by delaying action on a National Highway System designation in deference to the development of a transportation system.

Senator BAUCUS. Are you concerned at all about the provision of the House NHS bill which says that the Secretary provides and

makes changes, but each change has to be then approved by Congress?

Ms. SANDVIK. I'll start off with that one. That's another area that we find is—why should it take an act of Congress to make minor revisions to the National Highway System? That, to me, is not productive. It's not allowing the States to work with the DOT to make, in our professional judgment, decisions and tweaking necessary to make any types of adjustments.

Senator BAUCUS. I assume you're all in agreement.

Mr. CUELLAR. Very much so. The national level, of course, should be looking at the direction of transportation.

Senator BAUCUS. I agree with you. I think first congressional approval, I think, makes sense. But to go back again, that does not make any sense.

Any other statements you want to make while you have the chance? Anybody say anything outrageous that you want to address? Any other point you want to make for the Secretary so he has the benefit of some of your thoughts?

Mr. WEAVER. I'd like to talk. There's a committee that's certainly being formed. I think it's called the LTSS committee. It deals with the Mexican/U.S. negotiations over NAFTA and over GATT.

I can certainly understand that the border States don't necessarily have to have individual representation on that group, but we would sure love to be part of a subcommittee so that we can have input into that group. I think that would be very helpful. Anything you could do to encourage—I'm sure Texas, New Mexico and Arizona probably feel the same way. We're kind of on the outside.

Senator BAUCUS. I have a bit of a sense of the problem. I haven't visited the border in California, but I was in El Paso a summer ago for about 4 or 5 days for NAFTA-related issues. Transportation is certainly one of the problems, sewage problems as well.

Mr. CUELLAR. Texas would certainly very much support that position, that the land transportation standards subcommittee have some involvement from the States. There is so much infrastructure and investment that is vulnerable to the decision making that will be happening on the weights and sizes of the vehicles.

Senator BAUCUS. NAFTA is going to be, I think, a major benefit to the country and also Montana. The estimates I've seen on beef alone, it's going to be like hundreds of millions of dollars of additional beef exports to Mexico. Mexico today, I think, has about a 25 percent tariff on frozen beef. I think it's 15 percent tariff on chilled, and on live cattle they have a 10 or 15 percent tariff.

We have no tariff on Mexican beef coming into the United States. They have those high tariffs on American beef going to Mexico. The consequence of NAFTA, all those Mexican tariffs are now going to go to zero. That's why America spends greatly just on beef exports to Mexico.

The same with wheat and grains. They don't have the high tariffs, but they have quota systems. They've got restrictions, very significant restrictions on American wheat and grains.

On automobiles, the estimates I've seen on U.S. auto exports to Mexico will be \$1 billion annually in cars and \$1 billion annually in trucks in the next couple of years. That's products made in the

United States and shipped to Mexico. I don't know how much of that is by train or truck, but it's massive benefits of U.S. produced products going—

Mr. CUELLAR. Beef and grain, of course, are two of the most protected items down in Mexico. They do tend to go over truck and rail. So we expect great increases in demands from the Midwest going down into Mexico after NAFTA becomes fully implemented.

Senator BAUCUS. Thank you very much. You've been very helpful. Thank you.

[Recess.]

Senator BAUCUS. We're very honored now to be joined by Secretary Federico Peña. The Secretary will participate in the next panel. Following this next panel, the Secretary then will present a statement. We'll have the opportunity to ask the Secretary some questions.

This panel basically includes various people from our State who have very direct interests in ISTEA and NHS.

Moe Wosepka is here with the Rocky Mountain Trade Corridor; Gail Abercrombie, Executive Director of Montana Petroleum Association; Carol Weisert is the Sales Director of the Bozeman Holiday Inn; and Mr. Irvin is the Chairman of the Montana Motor Carriers Association.

So let's begin as usual. Your full statement will be included in the record. Try to summarize it in 5 minutes, if you would, please.

Mr. WOSEPKA. Thank you, Mr. Chairman, and Secretary Peña. It's a great honor for me to be able to present testimony today on behalf of the Montana Chamber of Commerce—

Senator BAUCUS. —Before we begin, Rodney has just joined us; we're also joined by the Highway Administrator, Mr. Rodney Slater. We really are honored that they made the effort to be at this hearing. They got up a bit early this morning and had to stop to refuel. They'll be here for the duration of the hearing.

It's a great opportunity to tell the Secretary and the Administrator your views about transportation problems generally. I urge each of the witnesses to take advantage of this opportunity. Say what you've got to say. You don't get this chance every day.

Moe, go ahead.

#### **STATEMENT OF MOE WOSEPKA, ROCKY MOUNTAIN TRADE CORRIDOR, MONTANA CHAMBER OF COMMERCE, HELENA, MT**

Mr. WOSEPKA. Thank you. It is a great honor to have such distinguished gentlemen joining us in Montana and a great honor for me to be able to present testimony on behalf of the Montana Chamber of Commerce and on behalf of the Rocky Mountain Trade Corridor Organization.

The Montana Chamber of Commerce is a business advocacy organization with approximately 800 business members statewide. Most of our business members are small in size and employ less than 20 employees. It's a diversified membership that includes representation from most of Montana's industries, including agriculture, mining, wood products, tourism, retail, manufacturing and various other small businesses. We have a good working relationship with local and regional Chambers of Commerce throughout the State

and we are members and work with the U.S. Chamber of Commerce on selected issues.

The Rocky Mountain Trade Corridor Organization is a private sector membership organization with members from five States and three Canadian provinces. The five States are Colorado, Idaho, Montana, Utah and Wyoming. The three provinces are Alberta and the southeastern portion of British Columbia and Saskatchewan.

The membership is interested in accessing business opportunities in the region and internationally. We are focusing efforts on expanding trade and business partnerships from Edmonton on the north to Mexico City on the south. Efficient and economically viable transport of goods and services throughout the region is of extreme importance to our group. We believe consideration and passage of a National Highway System bill is one of the most critical issues that Congress can address this year. Investment now in our national highway infrastructure is important to our national, regional and State economy for the millions of Americans who want to travel and see firsthand this great country and to the emerging transportation and commerce demands and opportunities associated with the recent passage of the North America Free Trade Agreement.

From our perspective, there's no question that improved, maintained and expanded national highways are essential to the Nation's and our States' collective economic vitality. I'm sure you can well appreciate a first class highway system that meets improved safety, reduced transportation costs and greater productivity.

These factors then turn and lead to expanded job opportunities and better positioning, not just in Montana, but other States as well. It increases a competitive international market for us.

We are a very large State, fourth in size after counting Alaska, but population-wise we have less than a million citizens.

From a business point of view, a National Highway System means to us the opportunity to connect our widely scattered but growing rural area businesses with an expanding market, growing facilities and indeed mainstream America and beyond.

Those of us representing business interests in Montana and in the Rocky Mountain region would be remiss if we did not touch upon the travel industry. We in Montana are especially fortunate to have portions of two major and historic national parks in our State as well as many other special travel and tourism related destinations. Fortunate, too, is the fact that each year millions of Americans want to travel the highways of this State in search of recreation and a sense of heritage and history. For us this travel creates our fourth largest industry and perhaps our fastest growing one. According to data collected by the University of Montana's bureau of business and economic research, an estimated 8.5 million nonresidents visited Montana last year. While dollar figures are still being calculated for 1993, in the preceding year these nonresidents spent an estimated \$930 million. The figure for 1993, this year and beyond is expected to top \$1 billion annually. For a sparsely populated State such as ours, this is significant. More important than those dollars, however, is the opportunity for many of our Nation's residents to come here, to travel by car, van, RV, and

other surface means in a setting that can only be appreciated if we have a modernized national highway system.

One final but important consideration of why the Nation and Montana needs NHS relates to our position as a border State to three major Canadian provinces and the just emerging opportunities generated by the NAFTA agreement. Trade is extremely important to the entire region. International exports brought in over \$24 billion new income to the region last year. Exports from Montana exceeded \$750 million, which is nearly \$1,000 for every man, woman and child in the State. They represent an increasingly dependence on the region's transportation system. There's a huge amount of jobs that are generated by exports.

Passage of NAFTA enhances the opportunities for the region to expand trade and will likewise create a greater dependence on safe and efficient highways for the transport of goods, services and business personnel.

In closing, please allow me to reiterate the exceptional importance we place upon enactment this year of a clean National Highway System bill that does not detract significantly from the provisions contained in ISTEA. As pointed out in our deliberately brief testimony, NHS is clearly a top priority for Montanans, the region and the Nation.

Mr. Chairman, Mr. Secretary, I thank you. We appreciate the work you have done in promoting the NHS, and I appreciate the opportunity to express my views.

Senator BAUCUS. Carol?

#### STATEMENT OF CAROL WEISERT, SALES DIRECTOR, BOZEMAN HOLIDAY INN, BOZEMAN, MT

Ms. WEISERT. Senator Baucus, Secretary Peña and Administrator Slater, my name is Carol Weisert. I'm the Director of Sales at the Holiday Inn here in Bozeman. I also serve on the boards of the Montana Society of Association Executives and the Bozeman Chamber of Commerce. I am a former board member of the Montana Innkeepers Association, as well as a current member of that, and a member of the Montana Tourism Coalition.

I am pleased to have this opportunity to testify in support of the National Highway System from the perspective of one who understands Montana's growing tour and travel industry. The 159,000-mile NHS is vital to the long-term health of America's travel and tourism industry. Highways carry over 80 percent of all tourism travel in the United States. In a rural State like Montana, a good highway system is even more important to our travel and tourism industry.

In 1993 3.2 million nonresident travel groups, or about 7.5 million people, visited Montana and spent \$1.1 billion here. Those tourist expenditures went to a broad cross-section of Montana businesses. These are as follows: 26 percent to retail, 26 percent to food services, 17 percent to motor fuel, 23 percent to lodging, 1 percent to transportation services and 7 percent to miscellaneous other services. Ninety-five percent of those visitors traveled to and within Montana on highways. Needless to say, the highway system is the lifeblood and is vital to our tourism industry.

NHS funding will improve highways used by the vast majority of our visitors. That's important because the demand for highway use has increased steadily in recent years and shows no signs of abating. Apart from the peak travel demand in the summer months, we've also seen increased travel during shoulder and off-season times. More and more vacationers are traveling to Montana during the fall, winter and spring.

Bozeman's prime location makes us a good example by which to judge Montana's travel trends and transportation needs. As a main gateway to Yellowstone National Park and the urban base of two major ski areas, Bozeman's travel-oriented businesses have heard and watched the increased demand for good and accessible highways. Specifically, Highway 191 has seen a tremendous increase.

The majority of our visitors come to Bozeman to sightsee for 1 to 3 days and then go on to Yellowstone or Big Sky ski resort on Highway 191. This increase in tourist travel, as well as truck and local traffic, has strained the capacity of our existing highway system.

Travel directly into Bozeman has also grown. Hotels and motels have seen increases in occupancy levels due to increased tourist traffic. The majority of our guests arrive by car off Interstate 90.

A study of traffic on North 7th Avenue indicated that approximately 39,000 cars daily use North 7th Avenue into or out of Bozeman.

In addition, the Museum of the Rockies here at MSU received approximately 167,000 visitors in 1993 and a total of 840,000 visitors since opening 5 years ago. Fifteen percent of those are local visitors or people within a 30-mile radius of Bozeman. Of the remainder, 78.3 percent were out-of-state visitors and 21.7 percent were nonlocal Montanans.

This again verifies significant highway use and the need for good regional and interstate highway connections.

Tourism means jobs and economic growth for Montana. The travel and tourism industry is already the State's second largest employer.

The labor income directly generated by out-of-state visitor expenditures in 1992 is estimated at \$285 million. Taxes on tourism-related businesses added \$57 million to Montana's State tax revenues and \$18 million to local tax coffers. It gives you a pretty good idea the important role the travel and tourism industry plays in sustaining Montana's economy.

As the industry's name suggests, good transportation is key to our survival. And in Montana the term "good transportation" is synonymous with good highways.

Our industry needs the NHS. NHS in Montana includes four U.S./Canada border crossings. Projections about trade growth as the result of NAFTA makes those improved border crossings very important. And those trade projections include the movement of people, as well as the movement of commodities.

In 1991 Montana had 1,071,400 foreign visitors. 1,050,000 of those came from Canada. Our neighbor to the north is by far the biggest source of Montana's international visitors, and the number of Canadians traveling into Montana each year is growing.



The NHS will also ensure improved access to our major tourist destinations, including our ski resort, Flathead Lake, Little Big Horn Battlefield, Yellowstone and Glacier National Parks, Headwaters to the Missouri River.

While improved access does not mean cutting new four-lane freeways into most of these travel destinations, it does mean turning 10-foot lanes into 12-foot lanes, adding paved shoulders where none exist today, reducing the number of blind curves, providing recovery zones and making other safety improvements that will reduce the death toll on our highways. And safety improvements are critical to the long-term viability of our industry.

The interstate system, our highest class of roads, has by far the best safety record. It's a record that we hope can be replicated on the NHS as a whole. These highways carry nearly half of all motor vehicle traffic in the U.S. and an even higher percentage of all recreational travel.

The NHS program will focus Federal-aid funds on these most important highways, providing safety improvements that will save hundreds, perhaps thousands, of lives and prevent thousands more injuries each year. That's a top priority investment in America's future and an investment that will improve the economic vitality of the travel and tourism industry.

Thank you for this opportunity to present my views about the importance of the NHS to travel and tourism. I urge you to move the NHS through your committee expeditiously so that this can be enacted this year. Thank you.

Senator BAUCUS. Dan?

**STATEMENT OF DAN ALSAKER, CHAIRMAN, GOVERNMENTAL AFFAIRS COMMITTEE, NATIONAL ASSOCIATION OF TRUCK STOP OPERATORS, KALISPELL, MT**

Mr. ALSAKER. Good morning, Mr. Chairman. I'm Dan Alsaker, a truck stop operator. I am delighted to be here today, both as a small businessman who depends upon the safe and efficient transportation of commerce, and as a spokesman for NATSO, the national association which represents America's travel plazas and truck stops.

Our association, NATSO, represents over a thousand truck stops and travel plazas nationwide. Our \$28 billion industry employs approximately a quarter of a million people and NATSO members pump about 75 percent of the diesel fuel sold at the retail level in this country.

Like many NATSO members, my company began as a family business which started in 1963, when my dad opened Broadway Truck Service in Spokane, Washington. From those humble beginnings, we have expanded to a total of 10 full service fuel stops in the States of Washington and Montana.

We have heard a great deal today of the importance of the National Highway System from the perspective of government officials and transportation professionals. I am honored to be able to appear before you to tell you that the creation of the NHS is vitally important for the private sector.

Establishment of a strong NHS is particularly important to those of us who make a living by providing goods and services to the

highway user. Our industry plays a vital role in the transportation network. Whether it be the commercial driver looking for a clean place to rest, refuel, relax and take a shower, or the highway vacationer looking for a good meal, we are there on a 24-hour basis.

Given the size of our operations, it is not unusual for a NATSO member to be one of the largest employers and property taxpayers in a local community. Collectively, those of us providing services to the highway user have become the central business area for many small communities located at interchanges along the interstate.

Mr. Chairman, as your committee begins its deliberations on the legislation to designate a National Highway System, you are embarking on a historic process that will direct transportation policy well into the 21st century. Establishing a National Highway System will play a large role in the effort to rebuild and reinvest in America. Without question, the action taken by this committee in establishing the National Highway System will be just as important and vital to our Nation's economic growth and ability to compete in the world marketplace as the action Congress took 38 years ago when it established the interstate system.

Supporters of the NHS often use statistics to illustrate its importance. The fact that the NHS only comprises 4 percent of our Nation's highways, but will carry 40 percent of all highway traffic and 75 percent of all highway freight movements, is compelling evidence of its importance.

I would like to cite another statistic which, from a small businessman's perspective, is equally important. Today 70 percent of all businesses are located within five miles of an interstate highway, a pretty impressive figure which illustrates the importance of the interstate system.

However, when Congress adopts the National Highway System, 95 percent of all businesses will be located within five miles of an NHS highway. This will provide unforeseen benefits for businesses, who will see transportation costs reduced as a result of much needed highway improvements as they bring their goods to market. Additionally, it will provide greater opportunity for thousands of small businesses, like mine, who cater to the highway user.

Take, for example, our full service stop in Kalispell. We are located near the intersection of Highway 2 and State Road 93, a significant distance from any interstate. Obviously we depend upon the traffic using these two noninterstate routes. And, as you well know, both of these highways are often heavily congested.

By incorporating these two vitally important routes into the NHS, it is my hope that we would see these highways begin to reap the benefits of the NHS. Widening existing lanes, adding lanes, increasing capacity and reducing congestion and overall enhancing the safety of these highways are all benefits which help my customers, my business and my peers. Make no mistake about it, a sound National Highway System does create jobs.

It is my belief that a strong NHS will allow for continued growth in a number of businesses which serve the highway user. This would be particularly true near noninterstate NHS highways, as primary and secondary roads receive improvements and upgrades.

Mr. Chairman, I fully realize the press of business that awaits you in Washington and the fact that Congress does not need to

pass NHS legislation until the authorization for highway funding expires on September 30 of next year. I would respectfully urge you to work diligently in ensuring that an NHS bill, if not adopted this year, is one of the earliest priorities for the next Congress to address. Those of us in the private sector need the assurance that highway funding will continue uninterrupted. Our crusade to rebuild America must not be slowed.

In closing, I want to mention one issue that is very important to the local communities we serve in our industry. That is to continue to prohibit the commercialization on the rights-of-way of limited access highways. As you know, when Congress created the interstate system in 1956, it prohibited rest areas from offering commercial services. The wisdom of this decision can be seen by driving along any of our interstates and seeing the development which has occurred at the interchanges. Rather than having one entity monopolize highway service at a rest area, the private sector has flourished.

In the State of Montana alone, for example, NATSO has counted over 400 businesses that have been created along the interchange systems of Montana which offer food, fuel and lodging to highway motorists.

There are those who believe that the rest areas should be commercialized and may seek to use the NHS bill as a vehicle to accomplish this objective. We would hope that you would reject those arguments if they are raised. Rest area commercialization would devastate thousands of businesses who today are adequately serving the needs of the highway user. And we strongly believe the 1956 language, which has been good public policy, should not be weakened.

Again, Mr. Chairman, I appreciate your willingness to hear my testimony. Thank you.

Senator BAUCUS. Gail?

**STATEMENT OF GAIL ABERCROMBIE, EXECUTIVE DIRECTOR,  
MONTANA PETROLEUM ASSOCIATION, ON BEHALF OF MONTANA  
HIGHWAY USERS FEDERATION, HELENA, MT**

Ms. ABERCROMBIE. Good morning. I'm Gail Abercrombie, Executive Director of the Montana Petroleum Association. I appear before you today on behalf of the Montana Highway Users Federation, which represents thousands of motorists that look to the highways of Montana for personal, commercial and recreational transportation needs.

We thank Transportation Secretary Federico Peña for his National Highway System proposal and we enthusiastically endorse Senator Baucus' National Highway System Designation Act of 1994 with its enhancements in the Montana roadway system. Thank you, Senator.

The Highway Users Federation promotes mobility and safety on all of the Nation's highways. This National Highway System Designation Act will further those goals. Montana is the fourth largest State in the Union. Our highways are the arteries carrying the lifeblood of our recreational and economic interactions. Airlines and railroads? We're at the mercy of someone else's choice of if and when they choose to serve us.

With highways, we have control over our own mobility. We need good highways. With implementation of the North America Free Trade Agreement, the four Montana/U.S./Canada border crossings will become even more important. Undoubtedly, there will be even further testimony today that speaks to those benefits.

There are even more benefits, however, from the routes within the State because of their contributions to economic development and diversification in Montana. As large employers continue to downsize and to consolidate, and usually it's somewhere other than Montana, safe, well-engineered, and well-constructed highways will enable adventurous entrepreneurs to locate new businesses, such as a manufacturing endeavor, in less traditional areas within our State.

There are two types of potential business owners I have been talking to lately: those that have been part of the downsizing in Montana and who want to start a business here in order to stay here; and those who have taken advantage of bonus early retirement packages come to Montana and want to start a business in Montana.

The National Highway System bill will nurture new businesses and improve the ability to move efficiently the raw materials and products that these new businesses will provide and will need. Jobs will result and our economy will grow.

S. 1887 provides for highway improvements which will enhance safety—widen shoulders, remove curves (much appreciated in the ice and snow of winter), and add passing lanes—providing for safer driving in Montana. Safety will also be enhanced by maintenance projects. Winters are tough on highway surfaces. Rough surfaces and tight curves contribute to unsafe conditions in any weather.

Bridges too are in need of repair. In 1993 a Federal Highway Administration report indicates 1,137 Montana bridges are deficient.

Montana receives approximately \$80 million annually in Federal-Aid Highway Program funds for the international highway system, but the future of this funding is in jeopardy.

The Montana Highway Users Federation urges the swift passage of S. 1887, unadorned with nonhighway special projects that would siphon funds from the 3,806 miles of Montana highways that are in this bill. We pledge our efforts to accomplish this end. Please communicate with us. Let us know what we can do to expedite passage of S. 1887.

Senator Baucus, Administrator Slater, Secretary Peña, thank you for inviting Montana Highway Users Federation to participate in this important hearing.

Senator BAUCUS. We're joined by Sandra Reiter, from Empire Sand and Gravel.

Sandy?

**STATEMENT OF SANDRA REITER, SECRETARY-TREASURER,  
EMPIRE SAND AND GRAVEL, HELENA, MT**

Ms. REITER. Good morning, Mr. Chairman. My name is Sandra Reiter and I am a contractor from Billings, Montana. I am here today representing my company, Empire Sand and Gravel, and its 450 employees, the Montana Contractors Association and the Association of General Contractors of America.

Senator Baucus, I'm especially pleased to be presenting this statement to you as Chairman of the Environment and Public Works Committee. We in Montana are proud to have our Senator as chairman of this important committee and we applaud you for sponsoring Senate Bill 1887, the National Highway System bill.

Like you, I believe that an efficient, durable and productive transportation system is vital to Montana's economic interests and to the Nation's economic prosperity.

The National Highway System proposal, as outlined by Transportation Secretary Peña and Federal Highway Administrator Slater, is a comprehensive and well-devised program that will serve as a backbone of our Nation's economy. I would like to take a moment and remind you of the benefits that prompt enactment of the NHS bill will have for our State.

The NHS will authorize \$80 million in annual Federal-Aid Highway Program funding to Montana. The NHS includes all 1,200 miles of Montana's interstate system. While the NHS includes only 5.5 percent of all Montana's roads, those roads will carry over 70 percent of all motor vehicle traffic. The NHS includes four international border crossings that will enhance commercial trade between the U.S. and Canada. The NHS connects important urban centers, such as Kalispell and Lewistown, not currently served by an interstate highway.

The NHS will also provide safe and reliable access to our rural communities and the NHS ensures improved access to our tourist attractions, including our lakes, national parks and ski resorts.

On a more personal level, I would also like to comment on the benefits that enactment of your legislation will bring to my company and our employees. Empire Sand and Gravel was founded over 40 years ago by my father and it continues to be a family-owned and -operated business.

As you know, employment in the construction industry is sometimes temporary and sometimes cyclical, particularly in a State like Montana where our winter weather shortens our construction season. Because of the uncertainty of future work, construction firms such as mine are frequently forced to lay off employees until business conditions improve.

Enactment of the NHS will, I believe, take away a certain amount of the uncertainty that prevails in the highway construction business in this State and across the country.

For the 2 years remaining under the ISTEA bill we will be able to plan for the improvements that are contemplated under the NHS that will improve not only Montana's transportation system, but will bring with it long-term employment opportunities for Montana's construction workers.

It is clear that the needs are there. A 1992 Federal Highway Administration report shows that nearly a quarter of Montana's bridges are deficient and in need of repair or replacement. In addition, 5 percent of the State's interstate pavement and 14 percent of the pavement on major noninterstate highways is in poor condition. We, contractors, are ready and willing in Montana to get to work to eliminate these deficiencies and improve our roads and bridges.

Senator Baucus, the Montana Contractors Association respectfully urges that you move quickly to enact S. 1887. Thank you for your time and attention. I would be happy to answer questions that you might have.

Senator BAUCUS. Dwayne?

**STATEMENT OF DWAYNE IRVIN, CHAIRMAN, MONTANA MOTOR CARRIERS ASSOCIATION, SHELBY, MT**

Mr. IRVIN. Thank you. I am Dwayne Irvin of Dick Irvin, Incorporated, of Shelby, MT. My company owns and operates 105 trucks specializing in the transportation of bulk commodities and intermodal shipments all across the western United States and Canada. Today I am representing the American Trucking Association, as well as the Montana Motor Carriers Association, where I serve as chairman of the board.

The ATA Federation includes over 40,000 motor carriers and affiliated associations in every State and 11 conferences. The ATA, in turn, represents the Nation's trucking industry, which is the Nation's largest transportation mode, employs 7.8 million people and represents 5 percent of the gross domestic product, over \$300 billion in revenues in 1993.

In Montana alone, trucking employs 24,000 people, one out of every ten workers, and generates a payroll of \$641 million. On behalf of the 7.8 million people who work in trucking, I want to thank this committee for holding these hearings on the National Highway System.

I especially want to thank you, Chairman Baucus, for your understanding of the importance of the National Highway System to the trucking industry.

Establishment of the National Highway System, the world's best highway system, will mean more jobs for Americans, economic growth for our country and safer highways. I want to emphasize at the outset that the National Highway System is not a road building program. Only 2 percent of the 159,000 miles will involve totally new routes. The National Highway System emphasizes the maintenance, preservation and improvement of the 159,000 miles of roads deemed most critical in meeting America's future needs.

The National Highway System is a smart investment. Each \$1 billion invested in our Nation's highway infrastructure creates 24,000 jobs and generates an additional \$2.43 billion in goods and services. A \$21 billion investment in the National Highway System will yield 500,000 new jobs and \$51 billion in additional economic output. And because it makes our highways safer, it will bring an economic gain of between \$1 billion to \$2.5 billion in provided productivity losses that were avoided.

The National Highway System will also connect our Nation's ports, airports, rail terminals and highways. In sum, the National Highway System will expand markets for U.S. products, increase travel and tourism, a major concern for Montana's many ski resorts and national parks, and connect rural America with U.S. marketplaces and ports, rural areas such as Lewistown and Kalispell.

We need the National Highway System to meet the demands of the future. Assuming an even modest growth rate of 2.8 percent a year, by the year 2000 the trucking industry will carry 30 percent

more freight, travel 31 percent more miles, require 14 percent more heavy trucks on the roads to haul the freight.

Although the National Highway System will comprise only 4 percent of our existing highways, it will carry 40 percent of all traffic and 75 percent of all commercial traffic. The trucking industry and America need the National Highway System.

The National Highway System is also important for highway safety. The National Highway System will improve safety by relieving congestion at bottlenecks, improving sight distances, creating greater lane widths and instituting controlled access intersections which help facilitate the flow of traffic.

The National Highway System upgrades and improvements are expected to save between 1,400 and 3,600 lives per year. The National Highway System will reduce urban congestion by expanding capacity on existing interstate highways, easing bottleneck congestion and improving poor conditions that cause unnecessary delays. This, in turn, will reduce carbon monoxide and hydrocarbon emissions and help clean our air.

The National Highway System must be passed by Congress no later than September 1995, otherwise the interstate maintenance funds will not be released.

Our industry urges that Congress approve designation of the National Highway System this year so States and localities can undertake the necessary steps to fully plan for and capitalize on the National Highway System.

One way to promote passage of the National Highway System is to remain focused on the need for a National Highway System and not allow other issues to cloud its importance, such as expanding eligibility for National Highway System funding, mandating a suballocation of National Highway System money to local jurisdictions and restricting a State's right to regulate the size and weight of trucks.

Let me say in conclusion that the National Highway System is not about trucking. It's about our communities and the Nation, our mobility, moving goods and people in the most efficient manner possible, investing scarce resources wisely, strategically and for the future, creating jobs, and the question of whether or not we want economic growth. In short, the National Highway System is a highway system which will take America into the 21st century.

Thank you for the opportunity to testify. I would be happy to answer any easy questions.

Senator BAUCUS. I'd like the panel to respond to the state of the condition of Montana highways. I say this because about 2 or 3 days ago I was driving from Manhattan, toward Three Forks. I was talking to my office on a cellular phone. I was just talking. My office said, "Gee, Max, is that a roller coaster?" Because it's bumpy, that stretch.

I'm just curious as to your general impression of the state of the roads. What do tourists who come to our State think? Do they think we've got great highways? They need a little improvement here and there?

Overall, just your impression, people who drive a lot of miles. Your people do on the highways. I'm just curious what your general impression is, generally or geographically. Anybody.

Mr. ALSAKER. If I may, we tend to get a lot of the results of tourist and trucker comments, primarily off the interstate roads running north and south. I'm speaking primarily of Highway 93, very difficult, very unsafe, in most terms that we hear.

Of course, Highway 2, the other crossroad that we hear most of the comments from, have been quite the opposite since the reconstruction has been done back towards Libby. So primarily concern for safety, especially with those fifth wheels and those motor homes flagging in behind on those rough roads and a truck in behind that and then the hazard of a long passing lane.

Senator BAUCUS. That's really true, Secretary Peña. We've got a good interstate system.

North/south is up around Kalispell and Whitefish—you've been up there and seen it—all the way down to the end, Darby. Highway 93 has a lot of traffic. It's not an interstate, but in some sense it should be interstate.

One of the benefits of NHS, it will tend to upgrade Highways 93 and 191 and some other highways in the State. Any comments?

Ms. REITER. The other north/south connection is Great Falls and Billings.

Senator BAUCUS. That's right.

Ms. REITER. Even though we've done some work on it, there's still a lot of work that needs to be done.

Ms. ABERCROMBIE. The passing lane issue for safety is very important, particularly in the winter. Of course, the visibility, crossing over snowy patches.

In the summer tourists come in with their heavier motor homes that cannot maintain the speeds, with impatient traffic behind them. It starts to build up, and it can really get scary.

Senator BAUCUS. I think it addresses the need for flexibility in the NHS, because we're not asking all the routes in the system be interstate highway standards. Rather, we're asking that they be upgraded where necessary. Safety concerns are paramount in some sections; scenic areas might be paramount in other sections.

Just kind of talk about the need for flexibility here so that we can pursue the NHS system and do it in a common sense way rather than a one-size-fits-all approach. The Secretary is here. It gives him an opportunity to address that point.

Mr. WOSEPKA. Just very briefly, I'd like to address that point, Senator. And I think that it ties back to the idea that we should have a clean act that's unencumbered by demonstration projects. I think the money should be brought into the State and should be given to those people in the transportation departments who have done thorough studies and can make decisions based on their hearings around the State. I think that they should be allowed the flexibility.

Over the past few years many of our highways have been upgraded. It has been a great benefit to the transport of people and goods throughout the State and allowing Montana businesses to compete in other regions. So we're very supportive of any upgrade. We believe that the money should be put in the hands of the States and allow them to make the decisions.



Senator BAUCUS. What about the demonstrations projects, Carol? I don't mean to put you on the spot here, but one of them is nearby.

Right now, Secretary Peña, there are a couple projects in the House-passed bill. One is significant to this area, the Belgrade interchange. It's about \$2.5 million.

On the other hand, in the House-passed bill, Montana will lose about \$30 million of its allocation. It's my understanding that were we to get our full allocation, and not have the demo provided for, the State Highway Department still would find the funds to keep that project ongoing.

But you think we should have a clean bill. I encourage you in that direction. We get more money if we do.

Ms. REITER. I would comment on that. We, as contractors, would like to see a clean bill. We would like to see it pass this year. It is kind of a double-edged sword, recognizing that we would maybe in the short term lose some of those funds. But in the long term we would be net winners. So I'd like—

Senator BAUCUS. You think the Montana contractors would like a clean bill?

Ms. REITER. I probably shouldn't speak for them, but that would be my general feeling, yes.

Ms. ABERCROMBIE. The highway users also endorse a clean bill. The monies would get more quickly into the system, be put to use. In special projects, you have to have project proposals, the engineering studies, and on and on; whereas a lot of these particular upgrades, according to the Department of Transportation here in Montana, are already on the shelf. They're ready to pull them off the shelf and zip them right out there and get going on them. That's one of the differences with a special project, which will take a lot more preplanning. Let's pull it off the shelf. Let's get it done. Let's get them going.

Senator BAUCUS. We have a lot of people following your panel. I'd like to allow the Secretary and Mr. Slater to ask any questions they may want to ask or any points they want to make before their presentation, before the next panel.

Before you do leave, though, I want to emphasize the jobs component. These are jobs not only for highway maintenance, but some construction. Your basic point is preservation and maintenance programs. Jobs are not only maintenance and construction, but as you mentioned, Dan: the road stops and truck stops, but also the motels and restaurants. Virtually everybody in our State has an beneficial economic interest in this program. It's imperative that we get this thing moving quickly and lock it in.

Thank you very much.

[Recess.]

Senator BAUCUS. Come to order. We're very honored now to hear from the U.S. Department of Transportation Secretary, Federico Peña. He'll be followed by a presentation by the Federal Highway Administrator, Rodney Slater.

The Secretary and Administrator have been to Montana before, this is not the first visit, and I want to compliment and thank both of you for coming to our State. Secretary Peña saw the problems of 1993. It was April of last year, in fact. He spent some time in

Kalispell and Whitefish. I asked him to come out so he could first-hand see the congestion we have in the State, and he graciously agreed to visit our State.

Mr. Slater more recently has been to the Kalispell area and other parts, just in March of this year. They both have a sense of our State's space, distance, and congestion; and we're honored that they're able to come out again today in June. I know this will not be their last visit to our State. A lot of it is to appreciate the beauty. I hope they can spend some time over the summer relaxing a little bit, like a lot of people do.

Without further ado, let me introduce the Administrator. Thank you again, Federico, for taking the time to come here.

**STATEMENT OF HON. FEDERICO PEÑA, SECRETARY, U.S.  
DEPARTMENT OF TRANSPORTATION**

Secretary PEÑA. Thank you, Mr. Chairman. And let me say informally that it's always my pleasure to come back to this beautiful State, and any opportunity that we have to come back, we will be back.

I am happy to be back here again, Mr. Chairman, and let me, for the record, formally submit my prepared testimony, and let me present an abbreviated oral testimony, and then I will introduce Mr. Slater, who will describe in much more detail using some of our new technology in Washington, the National Highway System.

I am very pleased to be here with this outstanding group of Western officials. And let me say to the group that testified a couple of panels earlier that I was able to hear part of their testimony next door in the room, and to my friends from Colorado, let me say I heard most of what they had to say. I'm sorry I missed all of it, but I am very honored to be here with them, and I want to commend you, Mr. Chairman, for holding this hearing and for including the witnesses who obviously represent a very diverse group of people on this very important question.

As I said, Mr. Slater will introduce the National Highway System components for you using our new computer system, the geographic information system. And you may have heard over the last several months that we're trying to bring new technology to the area of transportation, and not only bring it to Washington, but find a way to share it with people throughout the country, and I hope that the technology that is displayed today will be useful to people throughout the United States.

The National Highway System is a crucial element in the Nation's infrastructure. Today I want to talk about our transportation infrastructure, the United States economy, and the positive benefits from investing strategically in infrastructure, and I want to make two points.

First and foremost, the Clinton Administration is committed to investing in infrastructure, and the National Highway System we proposed last December is the largest component of our transportation infrastructure. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers.

Second, I want to talk about the critical role of both the National Highway System and the National Transportation System initiative, which we recently undertook, as they relate to our transportation future. Simply put, we cannot have a strong National Transportation System without first laying its foundation, the National Highway System. The National Highway System may be even more vital to those of us here who hail from the wide open spaces of the West than other parts of the country, and I want to take this opportunity to assure you that the outreach process that we intend to employ to shape the National Transportation System will take into account the special needs and interests of people of the West.

Let me address the first point of my testimony this morning, and that is the President's commitment to transportation infrastructure. As you know, Mr. Chairman, the President views investment in transportation infrastructure as a critical element of his strategy for long-term economic growth and increased American competitiveness in world markets. Clearly, the state of our infrastructure has an impact on our whole economy and American competitiveness in world markets by enabling cheap, efficient movement of goods and people. It is also an important generator of jobs.

In fact, the Department of Transportation's 1995 budget contains the largest transportation infrastructure investment in our Nation's history, over \$28 billion, in a year when the budgets of many of the other departments in the government were sharply cut, and it includes full funding of the core capital projects under the Intermodal Surface Transportation Efficiency Act, ISTEA.

Since 1991 the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs. In addition to rising Federal investment, we are also seeking ways to involve the private sector in innovative financing.

We know, Mr. Chairman, you had introduced legislation last year to bring new, innovative financing techniques to our transportation system.

Mr. Chairman, you and I both believe that, in order to begin to address the conflicting pressures to reduce public spending and to improve our transportation infrastructure, we must attract additional capital from the public and the private sector. Your bill addresses this need by allowing the States the flexibility to use a portion of their Federal-Aid Highway Program funds to create a State transportation revolving fund which could be used to make direct loans, to refinance debt, purchase bond insurance, to provide loan guarantees, and as a source of security to issue bonds to provide additional capital. And I want to commend you, Mr. Chairman, for your leadership in the innovative financing area.

The Department and the Federal Highway Administration are looking at ways to provide innovation in financing to attract private capital and to increase investment in transportation infrastructure. We want to work with you and the Senate Environment and Public Works Committee members to bring to fruition innovative financing tools that the States could have the flexibility to employ to increase the transportation investment they need.

The National Highway System is, above all, a guide to wise strategic investment which links major airports and seaports, rail stations, transit systems, intermodal terminals, and maritime facilities. By providing these connections, the National Highway System will greatly increase the efficiency of our whole transportation network. This makes each mode, including highways themselves, that much stronger.

The NHS, as it is currently proposed, contains just 4 percent of America's 4 million miles of public road, but it carries over 40 percent of the Nation's highway traffic, 70 percent of the truck freight traffic, and 80 percent of tourist traffic.

Once adopted by the Congress, the National Highway System would allow every level of government to better target its transportation investments in coming years. Much ISTEA funding, as much as \$21 billion, will be directed towards the NHS, and State governments will have strong incentives to match or surpass those efforts. The National Highway System will increase economic opportunities to communities not served directly by the Interstate System, and it will link up with roads in Canada and Mexico, uniting the North American Free Trade Zone with a high-performance continental road network. I want to commend Senator Baucus for his work on international trade activities. As Chairman of the Senate Finance Committee's Subcommittee on International Trade, he is obviously well aware of the trade implications of the North American Free Trade Agreement.

In April I convened a North American Transportation Summit in Washington, the first of its kind, with the Ministers of Transportation of Canada and Mexico. I wanted to ensure that, as NAFTA spurs trade among the three countries, our transportation systems will be able to support that trade in a safe, efficient, and equitable manner. The National Highway System will make these connections between our neighbors to the North and to the South much easier.

In the long term, the National Highway System will also form the backbone of the National Transportation System, enhancing all modes of transportation by serving as the glue that binds them all together. We need such a seamless intermodal transportation system to meet the challenges of competing in the 21st-century global economy.

So where do we go from here?

The next step for the National Highway System is to win congressional approval. The House, on May 25, passed H.R. 4385, a bill which approves the National Highway System and provides for the establishment of a National Transportation System. We look forward to working with you, Mr. Chairman, to do everything we can to reach agreement on this bill this year to approve a National Highway System. And I was very delighted to hear almost all of the witnesses on this morning's panel urge the committee to adopt the legislation this year, and we share in that testimony.

We're very glad that the House acted quickly to approve the National Highway System we submitted, but we do have some concerns about the bill as it was passed out of the House. Our major concerns are that the bill contains a number of demonstration projects. Specifically, the bill, as passed by the House, could divert

scarce budget resources from programs department-wide in order to fund projects that have not been evaluated through the normal State processes. And I was interested to hear one of the witnesses reflect on that view, stating that some of these demonstration projects are not ready to go, as opposed to those projects that have already been identified by State DOTs.

We also believe that the Department should be allowed to approve modifications to the National Highway System at the request of a State after a cooperative effort with local officials.

I would like to see early enactment of the National Highway System bill so we can move forward with developing a National Transportation System.

Under ISTEA, Congress has until September 30, 1995, to approve the legislation designating the National Highway System. If Congress misses that deadline, we cannot apportion NHS funds, about \$3.6 billion, to the States for Fiscal Year 1996. We will also not be able to apportion Interstate Maintenance Program funds, about \$2.9 billion. So everyone has a vital stake in seeing that the NHS legislation is enacted on time.

The House has resolved two contentious issues in a manner that I think upholds important safety and environmental objectives set by the Congress in past highway legislation, and I urge the Senate to adopt them.

First, the House bill proposes to change the way in which recycled rubber is used in transportation projects by allowing States significantly more flexibility in determining this use while also challenging States to use crumb rubber technology to increase their tire abatement efforts. We support this flexibility to advance recycling and paving technology, and I'm hopeful that the compromise strikes a reasonable balance that responds to environmental concerns while providing a greater degree of flexibility to the States.

And we understand, Mr. Chairman, that there may be additional modifications to that compromise, and we're willing to participate and to discuss those modifications.

Second, the House Public Works Committee rejected an amendment that would remove the penalties in ISTEA against States that fail to enact and enforce motorcycle helmet and safety belt use laws. These mandates save lives and millions of dollars in annual health care costs, and they are reasonable conditions for the use of our public roads.

Mr. Chairman, we face two challenges. First, we must redouble our efforts to get the National Highway System enacted this year so we can get on with the business of creating a more efficient and competitive transportation system and building for our future. Our mobility and our economy cannot afford to wait another year to begin building our future.

Second, we must have the support of everyone in this room in drafting a proposal for a National Transportation System. We have no preconceived notions about the National Transportation System concept. We hope to have received all public comment by the end of 1994. We have conducted an ISTEA outreach effort in this region last December with over 200 participants from six States. Participants supported full funding of ISTEA, and the President has made that a budget priority. Also, they expressed a need for more local

input into the State planning processes, and I believe progress is being made in that area also. The Department of Transportation will continue to assist in this process. Western participants called for recognition of the distinct needs of rural and urbanized areas. As a former Western Mayor, I am very well aware of those differing needs, and I pledge to balance those interests and needs in the National Transportation System process.

Another concern that we found in our Western outreach was the special needs of the Native American tribes and their reservations. The Clinton Administration is vigorously pursuing a number of Indian initiatives. The House NHS bill included a floor amendment which would establish a pilot program to permit Indian tribal governments to work directly with the Department of Transportation in the Indian Reservation Road Program. The pilot would allow tribal governments to be treated in a manner similar to that which as a State is treated in the administration of the Federal-Aid Highway Program. We intend to work with you, Mr. Chairman, in evaluating the House amendment as well as other programs which would benefit the needs of Native Americans.

The National Highway System is also a vital part of the overall road transportation system serving Federal lands. The Department of Transportation is working with Federal land management agencies in the coordination of the NHS with federally-owned roads and various land use and resource management plans. I believe the NHS will be a boon to the West and all of the scenic Federal lands in this part of the country. I'm sure that tourists will be aided by the improved access provided by the NHS. In many of the Western States, the NHS is the backbone of the National Scenic Byways Program; that is, they are one and the same.

If we are successful in getting a National Highway System this year, I promise you this: what the Interstate Highway System was for our predecessors, the National Highway System will be for us, providing the backbone of a comprehensive intermodal transportation system that will enable America's children and our grandchildren and beyond to enjoy the fruits of our vision.

I applaud you, Mr. Chairman, and your fellow committee members for holding this hearing here in the heart of the West. Our problems and challenges in the West are unique.

As I flew out here today from the urbanized East and looked down at this beautiful countryside, the vast undeveloped areas below, it made me even more mindful of the distances that must be covered by any ground transportation system in order to link the populous East with the resources found here, resources that must travel east and south and west to meet many needs throughout the Nation.

The East and West were first linked by the railroads and finally by the Interstate Highway System. But as you know and as I know, those two systems alone cannot serve all of the areas of the Western States, cannot link us with our new NAFTA trading partners to the north and south and connect us to our international markets through our ports. The National Highway System is the next vital link in the evolving ground transportation system that this country needs, and with the establishment of this important

linkage, the final stage, the National Transportation System, can finally become a reality.

So, Mr. Chairman, I want to thank you very much for holding this hearing and for inviting me out here today to present testimony. I would be delighted to take your questions.

At this point I would like to introduce Mr. Rodney Slater. And before he makes his presentation, Mr. Chairman, I'd like to publicly commend Mr. Slater and a few of the people from the Federal Highway Administration who, number one, did an extraordinary job in reaching out to people throughout the country in proposing the NHS ahead of schedule last December. The fruit of their collaborative work was the fact that most States were pleased with the outreach that was conducted and the comprehensive nature of the National Highway System proposal submitted to the Congress last December. And he would now like to discuss it in more detail and to use the geographic information and technology to display the system.

Senator BAUCUS. Mr. Slater, I understand you have a presentation that will use the screen?

Administrator SLATER. That's correct.

Senator BAUCUS. If that's okay, I'm going to come down so I can watch it, and I'll ask some questions of both of you following this presentation.

#### **STATEMENT OF HON. RODNEY SLATER, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION**

Administrator SLATER. Chairman Baucus, ladies and gentlemen, I, like the Secretary, am very pleased to be in this State once again and very much appreciate this opportunity to be a part of this most important program. I am pleased to be here today to discuss with the Secretary and with all gathered the National Highway System.

I want to thank Secretary Peña, whose comments serve as an introduction to the role of the National Highway System in the broader context of our future National Transportation System.

The National Highway System, as has been noted, will be the backbone of our National Transportation Network in the 21st century. It is going to affect each and every American directly or indirectly. The proposed National Highway System, as has been noted, will consist of 159,000 miles of the most important roads in the United States. They are important because this small fraction of roadways connect us to the most important sights and opportunities to improve life and to pursue happiness throughout our land. They serve the diverse needs of all highway users across the Nation, carrying, as has been noted, over 40 percent of the highway traffic, over 70 percent of the truck freight traffic, and over 80 percent of the tourist traffic.

As these numbers reveal, investment in the NHS is strategic investment, and a focus on the NHS provides strategic focus which can lead to strategic investment. Strategic investment is what we need if we want to get the most out of our transportation dollars, Mr. Chairman, and ensure that those dollars make the greatest impact on our economy.

What I'd like to do now is to proceed and use geographic information system technology, GIS technology, to present the proposed

National Highway System and to show how the National Highway System responds to the Intermodal Surface Transportation Efficiency Act requirements.

GIS is a computer system that integrates information based on location and provides for interactive graphics. It is a breakthrough in data management technology and will play a significant role in future transportation planning. The GIS will become even more powerful in the future as we gather new data on traffic flows and interconnections between transportation modes.

We'll portray the proposed National Highway System during this presentation at the national, State, and regional levels as well as urbanized area levels.

We start with the State lines.

We're going to pause just a bit. We've got to adjust the focus. So we'll be with you in just a second.

[Recess.]

Administrator SLATER. Let me just face you. We're going to take a few minutes to get the technology working again.

Senator BAUCUS. This is explained as a low-tech problem.

Administrator SLATER. That's right.

Senator BAUCUS. A plug came out.

Administrator SLATER. Yes. But there's a portion in the speech that I can do, because we don't need the graphics to demonstrate that.

The Secretary and I were listening to you talk about how important the NHS is going to be to you, and I told the Secretary about a trip that I had taken not long ago where I traveled across the country. I traveled over 14 days, through 14 States, over 3,500 miles, and most of those miles, Mr. Chairman, were off the interstate system, but they were on the National Highway System. And the objective was not to just visit with people about the National Highway System, but to hear from them about their aspirations, hopes and dreams.

And as we were listening to those from your community here today talk about those kinds of things, it basically underscores the importance of the National Highway System. It's not just about trucking; it's not just about building. As a matter of fact, as the Secretary has mentioned on a number of occasions, it's not about concrete, asphalt and steel, but it's about people. It's about how they pursue happiness. It's about how they get access to jobs that are challenging and demanding and exciting and give them the opportunity to bring about a difference in their community and to provide for their families. It's about how they get their children to school as they pursue knowledge and understanding. It's about how they visit many of the wonderful parks and historic sites throughout the country, where we have an opportunity to behold a power far greater than our own. It's about a pursuit of happiness.

Because of the efforts in the past, we clearly have the most mobile society in the world, but many parts of our society are not connected to a system as a whole that gives those in an individual community the opportunity not only to visit and interact with a neighbor next door, but to interact and visit with the people the next State over, or the next section of the country over, or for that matter individuals around the world; that's what the National



Highway System is all about. It is clearly more than highways, as the Secretary noted. It is a system that allows us to connect ourselves with the other modes of transportation which do, in fact, then, give us access to the world.

We have often said that, just as John Donne noted, that individuals, man is not complete in and of himself but is a piece of a continent and a part of a nation; so it is with highways, incomplete in and of themselves, though for the last 40 years or so, highways have dominated the transportation philosophy. But we have come to a time now in which we have to focus on systems of transportation that go beyond highways, and that's what the NHS is all about, and that's why the work of the Senator and the members of the committee and the members of Congress and all of us working together is so important.

I believe we're ready now? Okay, very good.

Senator BAUCUS. Good impromptu stand-up.

Administrator SLATER. There, you have the State lines.

Next, we'd like to add the 399 urbanized areas, and those are shown in yellow. You can't really detect that, but some of the colors will become clearer as we proceed.

The first component of the proposed National Highway System, shown in blue, is the 45,000-mile Interstate System, which accounts for nearly 30 percent of the proposed system mileage.

The second component, shown in orange, includes 21 high-priority corridors as identified by Congress in the ISTEA legislation. These corridors total about 4,500 miles.

The third component, shown in green, is the noninterstate portion of what is called the Strategic Highway Network, STRAHNET, identified by the Department of Defense in cooperation with the Department of Transportation. It totals about 15,700 miles.

Based on the most recent information, including information regarding base closures these Strategic Highway Network corridors and the Interstate System have been identified by the Department of Defense as the most critical highway links in our transportation system.

As we found during Desert Storm, and as we learned 50 years ago today on D-Day, highway mobility is essential to our national defense, enabling us to move troops and equipment to airports, ports, rail lines and other domestic bases for rapid deployment, again, to the four corners of the earth. The changing nature of world affairs will make these systems all the more important in the years to come.

The fourth component, shown in purple, is major Strategic Highway Network connectors. They consist of 1,900 miles of roads linking major military installations and other defense-related facilities to the STRAHNET corridors.

Collectively, these four components, all specifically required in ISTEA, account for 67,500 miles or roughly 43 percent of the proposed system.

The remainder of the proposed system, totaling 91,000 miles, shown in red, is made up of the other important arterial highways that serve interstate and interregional travel and that provide connections to major ports, airports, public transportation facilities and other intermodal facilities. And an important thing to note is

that while we see a lot of lines up there, again, this still represents only 4 percent of the more than 4 million miles of roadways in the country, and as we know, again, carries 40 percent of the highway traffic miles, 70 percent of the truck traffic miles, 80 percent of the tourism traffic miles.

The final features that will be added to our map are the intermodal facilities and military installations that will be served by the proposed National Highway System. To highlight these facilities we'll use subdued lines on the map.

As shown here, the National Highway System will serve major transportation facilities including 104 major ports, 143 major airports, 321 major Amtrak stations, 191 rail/truck terminals, 242 military and defense-related installations, and 319 urban areas with public transit systems.

In such a diverse Nation as ours, finding NHS route criteria that fit all States was not easy. For example, the National Highway System must meet the needs of both densely populated urban areas as well as less populated States, such as the States represented here today.

And let me just pause for a second and note that the green line represents the 14-day, 14-state, 3,500-mile trip across the country that I have just spoken about.

Going back to the map as a whole, because the criteria have to fit the needs of both densely populated areas as well as the wide-open areas in our rural communities, we worked closely with State transportation departments and with local governments, particularly the metropolitan planning organizations in selecting proposed NHS routes. After all, those of you here representing these bodies know best how your roads function and how your roads fit into overall transportation plans.

Nowhere was State participation more apparent and effective than in the five-State region represented by the map shown here: Montana, Idaho, Wyoming, North Dakota and South Dakota. Dialogue between representatives of these States and FHWA actually began with the development of the illustrative NHS map in 1990 and continued throughout the process with a significant impact on the system.

Representatives from these States, led by Dick Howard from South Dakota, were extremely effective in making their case for the need to include additional miles on the proposed National Highway System. I would add that all were present when the Secretary was here last and gave him additional information that helped us in responding to your needs.

FHWA again responded to these needs. The result was a significantly larger system than envisioned at the time of the illustrative system, at the time of its development. To illustrate this point, let me give you a few numbers. The proposed National Highway System for the five States totals 14,425 miles. That's 3,005 miles more than was the case with the illustrative map as presented in 1990.

I've brought with me today a map developed by the five States last year. An overlay on the map shows where these 3,000 additional miles were added to the proposed National Highway System, and that map is over to the left, and when you have occasion to view it, please do so.

These additional miles represent the fruits of extensive collaboration between these States and the Federal Government. We worked with the States and with local governments across the Nation to develop an NHS that will best serve the many different needs of its users and that benefits the Nation as a whole.

Now let's move to the State level. At this point in the presentation, I normally focus on Georgia and the city of Atlanta to dramatize that as the host city for the 1996 Olympic Games, Atlanta will be faced with great challenges to its transportation system. But today I'd like to use a Western State, and we'd like to use the State of Colorado as an example. We can look at the proposed system in greater detail when we look at it from a State's perspective.

We start with Colorado's urbanized areas, such as Denver, the capitol, then Grand Junction in the West. We also have shown here the Rocky Mountain National Park in green.

Using the same color scheme used at the national level, here is the NHS for the State of Colorado.

Now using flashing symbols we can show how the National Highway System fits into the broader context of Colorado's transportation needs, again, confining ourselves to major transportation facilities including four major military installations, two major airports, four major highway/rail transfer facilities, five major Amtrak stations, five urbanized areas with transit service, and finally four urbanized areas with intercity bus service. There you have the National Highway System for the State of Colorado.

Now let's shift focus again, this time to the urbanized area of Denver, a large urban area with a variety of transportation facilities.

First we show Denver's highways.

Second, to illustrate the potential for integrating all modes, here we see the Denver area's principal rail lines.

And now we show the military installations, the new airport and the intermodal terminals to complete the demonstration of the urbanized area of Denver.

I hope that this has illustrated that the National Highway System, by itself, is important. But, again, its value is enhanced because it provides vital links to the other modes of transportation. Allow me to give you a few details that underscore this point.

The arrows on this map of the western half of the United States represent the major international border crossings between the United States, Canada and Mexico, each of which is accessible via the proposed National Highway System.

To the south there are several major gateways for trade between the United States and Mexico. Each major gateway consists of one or more border crossings. These gateways are located in Southern California, Central Arizona, El Paso, Texas, and South Texas, including Laredo and Brownsville.

Of these gateways, the one through South Texas is by far the most significant commercial crossing. About 50 percent of the trade value between the United States and Mexico, \$34 billion in 1992, crosses in this area.

In the northwest the major crossings include the Peace Arch and Pacific Coast Highways in Blaine, WA, the Sweetgrass-Coutts

crossing on the Montana/Alberta border, and the Pembina crossing at North Dakota.

The Washington crossing carries both long-distance and cross-border traffic and trade from British Columbia into the Pacific Northwest, accounting for about 6 percent of northern border trade. At the Sweetgrass-Coutts crossing, cross-border traffic has grown about 10 percent per year for the past 5 years.

Greatly increased border activity under the North American Free Trade Agreement will mean that linking ports and border crossings with the rest of the Nation will assume even greater importance.

The National Highway System, in focusing on highway investment to ensure that goods and people move more freely, helps supply this vital link.

Thus, the NHS plays a key role in meeting the transportation goals of NAFTA to facilitate border crossings, create new market opportunities for truck and bus companies, and improve the efficiency of the transportation systems across North America.

To ensure the National Highway System provides this intermodal connectivity, we worked with our State and local partners, with the private sector, and with our colleagues in the aviation, transit, railroad, and maritime administrations, as well as with the Department of Defense, in selecting the proposed connections.

Like so much that is important about ISTEA, the National Highway System is a flexible concept. Such flexibility is essential, because each State and local government has its own unique transportation goals and pursues different ways of achieving them.

The National Highway System empowers these States and these governments and their partners to invest their limited transportation resources to spur economic growth and productivity, to increase system performance, and to further improve our Nation's impressive transportation safety record.

After describing what the National Highway System is, I'd like to tell you what it is not. The National Highway System is not another Interstate System. Beyond the interstate portion, the National Highway System is mostly two-lane roads, such as Oregon Route 35, as pictured here. In fact, virtually all of the National Highway System is existing mileage. Less than 2 percent is new mileage, and this 2 percent is already in State plans.

The National Highway System will evolve into an upgraded system of safe, well-designed roads built to serve the requirements of those who travel on these routes.

In closing, we hope that this GIS presentation of the National Highway System demonstrated what a significant move the designation of the NHS will be and how it will serve to bind together virtually every area of the country and every facet of our national and international economy.

I am convinced that the time for intermodal solutions to transportation challenges is now, and that the National Highway System will play a crucial role in this process, so our work is not done. The National Highway System is a major priority of the Department of Transportation and the number one priority for the Federal Highway Administration.

We will continue working with Congress and with our State and local partners to do what it takes to mold the best of each transportation mode into a seamless intermodal transportation network.

I look forward to making this system you have seen here today a reality, and it will take all of us if that is to be. Thank you.

Senator BAUCUS. I'd like to ask both of you questions, whichever would be more appropriate to answer it.

Secretary PEÑA. I'll take the easy ones, and I'll give the Administrator the hard ones.

Senator BAUCUS. Okay. Well, first is going to be just a flexibility point.

You mentioned, one of your last points, Rodney, that as we move ahead in the NHS era, we're not talking about all interstates by any stretch of the imagination. But some of the communities, some of the States, are probably concerned about how much flexibility there's going to be, as to how much the DOT and the Federal Highway Administration is going to say, "Oh, no. You can't do this, you can't do that," and so forth.

Can you shed a little light on how much flexibility there's going to be on the NHS systems so State and highway transportation departments can do things best for the State?

Administrator SLATER. Yes. There will be considerable flexibility. The planning process and the planning regulations that were required by ISTEA have been designed now, and we are in the process of interfacing with the States to educate them as to the details of the planning process, but it requires extensive State and local participation, extensive citizen participation.

What all of that means is that it will not be a process where the Federal Government will be telling States what's best for them.

Senator BAUCUS. Do you hear of any areas, particularly from States, that they're concerned about? Like design standards, for example.

Administrator SLATER. Yes. There's the question about whether there will be a uniform design standard. And in the sense that there was a uniform design standard for the entire mileage of the Interstate System, the answer is no. We will, though, working with the States and with the State organization of AASHTO, have standards that would be applied to a certain segment of roadway given the needs to be addressed on that segment of roadways. But States are in the process of applying those kinds of standards currently, and we hope to continue that process.

Senator BAUCUS. Have you heard of any particular design standard concerns at all yet?

Administrator SLATER. Well, clearly safety is going to be a major concern, and as has been noted by some of the speakers, there are a number of roadways that will be included on the NHS that currently are not built to the safest standards. Some need shoulders, some need better signage, better lighting. Those are the kinds of things that will be addressed, for the most part, but in some instances, given the planning process in a given area, you might have the addition of a climbing lane or the addition of lanes to deal with congestion concerns.

Senator BAUCUS. Can you generalize for us the degree to which States would be able to design standards. State design, versus the

DOT saying, "Well, not quite; this is what the standards are going to be." Can you kind of differentiate a category where States are going to be able to have the flexibility and where they're not?

Administrator SLATER. When it comes to the NHS, there will be standards where we'll have to have agreement. When it comes to those roadways off the NHS, then States will have maximum flexibility on those. That's where they'll primarily use their—

Senator BAUCUS. I'm not really getting that from the NHS. Generally, can you characterize the NHS with the considerations of States' flexibility versus the times they might have less?

Administrator SLATER. When it comes to safety concerns, since that's a number one priority, States will have to comply with the applicable safety standards that are required in a given situation, but in other instances where safety is not a primary concern, then States will have considerable flexibility.

Senator BAUCUS. Some of the States testified earlier that there's a big concern of some of these management systems: for example, pavement systems. Could you address that? You know, one State administrator, I think it was Texas, thinks there's an excessive burden to be placed on them.

Administrator SLATER. It is true that States will have to comply with certain management systems as required by ISTEA. I understand that some concerns about those systems have been raised here today, and we plan to take all of that into consideration. Our staff, during the course of these comments here today, is present and will look at the concerns raised.

I think we can use as an example of our ability to respond to the States in this area the fact that they talked about their needs that go beyond some of the concerns that were addressed in the illustrative map, and we were able to address those needs before we submitted our official NHS map to Congress.

We would approach this in the same way. We would approach it with an open mind, and we'll try to accommodate their concerns.

There is, though, one thing that I must underscore, and that is because ISTEA gave States a lot more flexibility in carrying out responsibilities than they had before ISTEA, when we were standing over their shoulder watching them almost on a daily basis, it is important that these systems be implemented and that they serve as some guidance for the States and for us in monitoring the State's response to those systems. Beyond that, we're going to try to be as sensitive and as understanding as we can be.

Secretary PEÑA. Mr. Chairman, if I could add to that a bit, we understand there are a number of concerns about the management systems rules, one of which was based on the fact that it took the Department at least 2 years to develop the interim rules, and now we are requiring the States to implement them in a much shorter time frame, so there's a concern about the timeliness of the requirement.

And second, they are interim rules; and they are in the process of being rewritten through evaluation. So we'll work very closely with the States in obtaining their concerns about those rules and see if we can address them as we finalize those rules.

Senator BAUCUS. You certainly have brought the Clean Air Act into conformity. They feel, you know, that they're being asked to

do too much. For example, Alaska pointed out that under EPA regulations, some factories can emit poorer emissions than DOT regulations allow. To the transportation system, they think that's a little unfair. That does sound a little bit stringent on the transportation side.

Secretary PEÑA. Mr. Chairman, as you know, the development of the conformity rules was a mandate of the Congress, and so we had to scramble, if I can use that term, to work very closely with EPA. And I must say that never before, at least based on my experience and my knowledge of the previous relationships between the EPA and the Department of Transportation, had both Departments come together as much as we did to try to draft these conformity rules, so Carol Browner and I were intimately involved in this effort.

Recognizing that effort, we do know that there are still troubling aspects to the conformity rules, and we are hopeful that as we go through the implementation of those rules, we'll learn from those and make adjustments as necessary.

For example, one of the most difficult ones was what to do with those areas that are in attainment and whether or not they should be required to do additional work to ensure that they continue to be in attainment in future years. That was a massive, raging debate that we had, but we came out on the side of trying to prevent problems from occurring in the future so we wouldn't be back into the position of having to sanction States in the next few years. We know that that does present problems for the States.

I guess the message here is that both the Administrator and I, Administrator Browner and I are very willing to work with the States. We want to try to craft, as much as we can, tailor-made solutions to each State, because each State is different, and the geographic and the climatic problems are different in every State. We need to make sure that we don't assume that one rule will apply equally to every area. So we offer that as an effort to work with them.

Senator BAUCUS. What's the Department's view with respect to expanding conformity to areas already in attainment?

Secretary PEÑA. There was an effort on the part of some to make that requirement very broad—to include a very large percentage of those communities in the country—and we settled on a ratio. I forget at the moment what it was, but it was a much smaller percent, which I thought was much more reasonable; addressing those areas that are perhaps on the borderline of becoming non-attainment areas, rather than those that were safely in compliance. We picked a standard for which we thought there were cases where, with a little more development, could be in compliance. That was the approach that we took, and we thought we narrowed the burden. We thought we took a very practical approach. But you're right: some of the States still feel that they're being asked to do something which is not currently necessary. I would suggest that we work with those States to minimize the discomfort to them and assure that they remain in compliance in future years.

Senator BAUCUS. Going back to the public roads pavement system, as I understand it, the comprehensive, extensive nature is largely a consequence of the Department's regulations. Congress

did not require that much detail or such a comprehensive management system. If I'm correct, why did the Department go the next several steps to put quite an additional burden on the States.

Administrator SLATER. Well, we were privy to some of the testimony as well, Senator. We were not in the room, but we understand that one point was made that it was not so much the law that was viewed as a concern by some of the States but the regulation, our interpretation of the law, and with that point having been made today, then we will look at it again. And that's the point that the Secretary was making, and I would reiterate that.

Senator BAUCUS. Well, I appreciate that. I wish you would. I would ask you to do so, some of the other management systems, like pavement and air quality, and maybe some of the others.

The slight concerns States have, too, is with the National Transportation System; how much—I hate to always use the word—"input" are they going to have: how much are they going to be consulted, what will the time frame be, so that something's not imposed on them that doesn't make a lot of sense to them. Could you address that, please?

Secretary PEÑA. I'd be happy to, Mr. Chairman.

The National Transportation System idea today is more a concept than anything else, and, in fact, this week we will start our first outreach effort in the country to begin to get citizen input. We very much want to engage in a massive nationwide effort to get citizens and elected officials and State policy makers involved in giving us their thoughts about what should be part of this National Transportation concept as it becomes more and more a reality. This is going to take a very long period of time.

Our goal is to then take all that information, in a sense developing the final concept in partnership with cities and States and citizens of all kinds before we even begin to present anything resembling a product to the Congress in years to come.

We're beginning to anticipate the reauthorization of ISTEA, because ISTEA expires in 1997, so we're starting that process now. But my commitment is to ensure that we have a lot of input from people throughout the country to help us think through what should be part of the National Transportation System.

Senator BAUCUS. The question and problem I can see is trust funds. How are you going to work out the accommodation of highway and airport and airway and all that?

Secretary PEÑA. We haven't even started to discuss that issue. That is a topic that if people want us to address, we ought to put it on the table and have a national debate about that. That decision will not be made by us in Washington. I think there are lots of people who would be interested in discussing that, and if they want to, that would be open for discussion, but we're not proposing it. This is something that has been discussed by others at other times, and if it's a major issue that people want to discuss, we're happy to talk about it.

Senator BAUCUS. Could you give me a sense of benchmarks with respect to the National Transportation System: by what date, by what subsequent date, and the next?

Secretary PEÑA. Our general goal, for all of this year, is to have outreach sessions. Those will continue in some form for next year,



but we would like to have some form of basic legislation or at least some elements of it by October of next year, 1995. So we're looking at about a year and a half effort that will go into at least laying the foundation for this. That's a conceptual time frame that we are thinking about at the moment, again, trying to anticipate the expiration of the ISTEA authorization and trying to get ahead of that.

Senator BAUCUS. That's what I was next going to ask. Do you anticipate that some of these concepts will be recommended by the administration in the next ISTEA?

Secretary PEÑA. That's correct, Mr. Chairman. But, again, I want to emphasize that it's only going to happen with full input from State DOTs, local elected officials, and citizens as we go forward, because this is a new idea. And just as the National Highway System was a new idea, the National Transportation System builds on that, and we want to use—in fact, we want to learn from the outreach effort that was undertaken for the National Highway System and make it even better, because I think we learned things in that process. So that's how comprehensive we want to make this outreach effort.

Senator BAUCUS. Back to NHS, the bill introduced would allow States to make changes with the Department's concurrence and changes worked out with local officials. How do you plan to handle those requests; that is, subsequent to the passage of NHS, if a State says that they'd like a change, that "it makes more sense for our State." How do you plan to handle that? Do you anticipate caps, mileage caps, an overall total cap, or a State cap? What are your thoughts?

Administrator SLATER. That's a process we have to work through. But there is the need for some cap or some goal, because that way you don't favor one State over another. But that is not as important as hearing from the State leaders about their particular needs and trying to work with them to accommodate those needs, much in the way we did with the NHS and especially with the Western States.

One thing that I noted in my remarks was that the NHS is much like all of ISTEA, it's a flexible concept. That is different from what the Interstate System was. We basically laid out that system in the 1930s when the concept came forth. When the funding came forth in the 1950s, we then moved ahead with lines that had been primarily drawn years earlier.

We have a need for the NHS now because there has been such a shift in the economic climate and the living patterns and the trade patterns. Clearly in years past our focus has been on the coast when it comes to our economic activity, for the most part, but now, with NAFTA, and as was noted by the speakers today, we have to give a lot more focus to north/south routes. We will be governed by that kind of flexibility in trying to respond to needs that States would bring to us, but as far as having a detailed process outlined right now, we don't have that.

I think clearly a State department of transportation would have to demonstrate that the kinds of improvements they are suggesting to a roadway would give it a character that would be similar to those roadways that are already on the NHS.

Senator BAUCUS. What's your reaction to the provision? The House-passed bill provides that any changes have to be approved by the Congress.

Secretary PEÑA. Well, Mr. Chairman, let me speak to that question.

We would hope that the Congress would recognize the expertise in the Department and give the Department some discretion in making these kinds of adjustments to the National Highway System. And I think, in adding to Administrator Slater's testimony, what would be helpful is for the development of some criteria so that States would know with some specificity what the general guidelines used by the Department would be. We're trying to avoid inflexibility and constantly having to go back to the Congress for legislation.

Imagine if every time we had to make an adjustment to the system we had to pass a law through the Congress. This would, I think, work against the interests of the States that may need adjustments very quickly to adapt to changing times. What we're asking for is minimal discretion—and we think it is very minimal—should be left with the Department and that Congress not require us to come back every couple of years.

Senator BAUCUS. I appreciate that, and I tend to agree with you.

Let me give you a chance to comment on some of the mandates the States are concerned with. The motorcycle helmet safety mandate, your reaction. Some States feel blackmailed; you know, let States make these decisions.

Secretary PEÑA. Mr. Chairman, as you know, that was passed in ISTEA. It is Federal law. We are implementing the law. And until the Federal law is changed, we feel compelled to continue to implement it. I must say that—and I know this will perhaps offend some of my friends in the West, but having been a mayor of a city where I saw people who were involved in motorcycle accidents come into Denver General Hospital and who left as paraplegics because they weren't wearing helmets. This was a major issue for me. So we think that as a matter of public safety and of responsibility, we hope that people wear their helmets and buckle their seatbelts as a user of highways.

You know, we talk now about health care reform. We have to imagine and remember the tremendous cost on the health care system and on this economy with injuries that result from someone not taking 2 seconds to fasten their seatbelt. And so we think there is a national interest here. Again, the Congress has passed the legislation, and we are trying to implement it.

Senator BAUCUS. What is your reaction to the provision House-passed bill, which has a hold-harmless provision, saying that funds will continue for a length of time. Basically it's a hold-harmless provision on highway funds to those States who do not pass the helmet safety law.

Secretary PEÑA. Mr. Chairman, we would prefer that the law remain as it was originally drafted.

Senator BAUCUS. I'd like to be there when you talk to your colleague from Colorado.

Secretary PEÑA. Senator Campbell and I? We'll probably talk about that a lot.

Senator BAUCUS. Other mandates, crumb rubber.

Secretary PEÑA. Well, that's one where we attempted to respond to the concerns raised by a number of people about crumb rubber, and our Department was intimately involved in trying to work out some moderating legislation. We think we at least addressed most of the concerns in the House bill.

Again, as I said in my testimony, if there is additional guidance that can be provided by others, then we can work that amendment a little more, and the Senate side would be happy to do that. But we saw that there were some problems in the original version, and, of course, we'd like to work very closely with Senator Chafee on this to make sure that we respond to his concerns.

Senator BAUCUS. It might need more flexibility, but how about Alaska? Alaska is a little different. Is Alaska, in your view, so different that it should require different treatment?

Secretary PEÑA. Mr. Chairman, what we're trying to do is to recognize that there is a balance between those who have a legitimate interest in trying to encourage the use of this technology and the technical problems that are contemplated. Some of the other issues that have been raised by people include the different climate conditions throughout the country. What happens in Nevada, for example, which I think has a 7- or 8-year experience—and I don't know if anybody's here from Nevada—using this kind of technology: Nevada has not had significant problems, but that might not work in some other part of the country. So we're happy to work with people who want to address those kinds of issues to see if we can craft an amendment that makes it work. We don't think it makes any sense to have a law that isn't practical and is not going to have any effect at all. So we're here to work with all the parties to see if we can implement it in some fashion, in a balanced fashion that addresses most of the concerns.

Senator BAUCUS. I appreciate that, because that's exactly what we attempted to do, is to make people more flexible as we apply this.

I'll give you a chance now to comment again on these demonstration projects.

Secretary PEÑA. Well, Mr. Chairman, we were very clear at the very beginning of this process earlier this year when the bill was introduced. In my testimony and that of the Administrator, we asked the House not to include any of these projects or any other additional amendments to the National Highway System legislation. We share the sentiments that were echoed from the State this morning that a clean National Highway System bill is in our best interest. We would like to get this bill passed this year, and so we very much want to have a clean bill to minimize any additions to it, and that applies to all the demonstration projects.

Senator BAUCUS. Is the Administration opposed to the present House-passed bill?

Secretary PEÑA. Well, in our position before the House, both in our oral testimony and our written testimony, we said that we opposed any demonstration projects being added to the bill. The bill now has those. We now look forward to working with the chairman of the committee in trying to address that issue. So to answer your

question, our position has not changed. We still would like to have——

Senator BAUCUS. You're opposed to any additions.

Secretary PEÑA. We are opposed to any demonstration projects.

Senator BAUCUS. Any whatsoever.

Secretary PEÑA. That's correct, Mr. Chairman.

Senator BAUCUS. But do you oppose the present bill? What if the bill goes through as is with all these demos on it?

Secretary PEÑA. Would the President sign it?

Senator BAUCUS. I'm not asking whether the President will sign it. I'm just asking the Department's position.

Secretary PEÑA. Mr. Chairman, I'm told that as the bill was finally passed out of the House, we did not issue a formal objection to the bill as passed. However, as a matter of record, we have been opposed to demonstration projects being added to the bill, and so we would be happy to work with the Senate side to see how we can address that issue.

Senator BAUCUS. I appreciate that. Any more comments to make while you're here?

Administrator SLATER. Nothing, other than to say we heard every reason stated here as to why the NHS should be passed, and we're encouraged by that because we're going to need grassroots support to make this a reality. And I know you were comforted in hearing the comments today.

I think it's also good that the House did act, even though we have concerns with their bill, because we do have a shot at getting the NHS passed this year, and, Mr. Chairman, I know that we very much appreciate the expeditious nature in which you have acted in setting this hearing and in moving forward on the Senate side as well.

Senator BAUCUS. Yes, it is critical to get this passed. I don't think people should think that just because there's a deadline next year, that automatically Congress is going to pass the NHS bill before that deadline. Some of us may not have long memories, but you don't have to have a very long memory to recall the highway bill that didn't get passed on time, and was vetoed not too long ago. It very much upsets the planning process for a State department of transportation. Just for the sake of orderly planning and to help provide good service to all of us across the country, it's critical that we get this passed right away. States need to know what they can do and get on with it.

States are going to lose a third of their allocation if we don't pass it, so it's critical we get this done quickly.

Secretary PEÑA. Mr. Chairman, if I could just add one additional thought. I always find that we act a bit more logically when we are not under tremendous pressure and having to do something before midnight of the next day. And that, I think, is the beauty of this NHS legislation is in this process now; this is the best atmosphere in which we can pass this bill rather than postponing it until next year, when we have enormous pressure and I think at that point would probably not make very wise decisions.

Senator BAUCUS. I appreciate that very much. I agree with you. Thank you, Mr. Secretary. Thank you, Administrator, very, very much.

We're going to combine the next panels into one.

Secretary if you want to ask questions, it's up to you, whatever you want to do.

The Secretary and Administrator will join us for the next panel. Our final panel will include Don Diller, President of the Western State Highway and Transportation Officials; Marvin Dye, Director of the Montana Department of Transportation; Marshall Moore, Director of the North Dakota Department of Transportation; Richard Howard, Secretary of the South Dakota Department of Transportation; and Dwight Bower, Director of the Idaho Transportation Department.

Mr. Diller, since you're the WASHTO guy here, you go first.

**STATEMENT OF DONALD D. DILLER, PRESIDENT, WESTERN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS, CHEYENNE, WY**

Mr. DILLER. Thank you, Mr. Chairman. My name is Don Diller. I'm the Director of the Wyoming Department of Transportation and currently serve as President of the Western Association of State Highway and Transportation Officials.

Senator BAUCUS. Before you begin, Mr. Diller, I encourage all of us and remind all of us to keep it to a 5-minute rule, as best we can. It will help us get the questions.

Mr. DILLER. Mr. Chairman, I'll try to keep this as brief as possible. Many of the things I have to say have already been said, so I'll go through this fairly rapidly.

WASHTO's 17-member departments represent the West in all its vastness and all its variety. The economies, demographics, and geographies of our State cover the full range of the spectrum, yet on the issues that we're addressing today, there is strong agreement. The basis of that agreement is simple, the importance of transportation in the West, and of particular importance is the NHS in the West.

Our main point today is that WASHTO States strongly support prompt designation of the National Highway System. We applaud your interest in achieving this through the introduction of S. 1887. In addition, we'd like to take this opportunity to offer our views through written testimony on several items related to ISTEA implementation and the Nation's transportation program.

One is the need to fully fund ISTEA, the need for relief from Federal mandates and sanctions imposed on the Federal-aid programs in ISTEA, and the need to reduce the complexity and cost of program delivery under ISTEA.

Let me concentrate on the National Highway System. The WASHTO member States universally recognize that establishing a National Highway System is of the highest priority and has been for some time. The message that Congress should move rapidly to enact the NHS is heard over and over again. It was contained in a WASHTO resolution passed unanimously this spring. It's repeated in the joint statement from the ten WASHTO States and then joined by the West Coast States' position authorizing the NHS. It's also reflected in the AASHTO position. Prompt passage of the NHS designation legislation will enable the States to move ahead in their planning and programming decisions without fear of

having ISTEA funds withheld should Congress fail to adopt it on schedule.

Prompt congressional designation is a real possibility, Mr. Chairman, because of the work that the States and the DOT and Federal Highway Administration have done over the last 2 ½ years.

Simply, Mr. Chairman, Secretary Peña and Administrator Slater and their staff have done a good job in route designation and presented a good product to the Congress. We commend the Secretary for his work and his efforts. We don't believe that we're alone in taking this view. We believe that other States in other regions agree. We feel that the proposed map is a good one, and any pending adjustments are certainly resolvable.

We do not see that there should be any major issues for Congress to resolve in terms of the proposed routes. In short, there's a strong consensus on the importance of the NHS and the basic validity of the DOT proposal, a base which we hope will enable Congress to proceed to enact promptly.

Let me briefly touch on three points related to the NHS on which there's also a broad consensus within the WASHTO States.

First, the establishment of new national design standards is unwarranted. The application of a single design standard across all NHS routes or the application of a design standard higher than warranted by the type of traffic as a function of the highway using the route is not desirable. Design responsibility should be delegated to States and must be flexible enough to reflect the type of traffic using the route and the specific project needs. The States are in the best position to make those decisions while working cooperatively with the Federal Highway Administration. As we have done in the past, and as we are now doing, the standards are there. We only need to use them carefully in the future.

Second, proposals which would suballocate NHS funds for use in metropolitan areas are contrary to the flexibility principles contained in ISTEA. The WASHTO States would recommend that Congress let the planning tools of ISTEA work. The provisions already in ISTEA provide for coordination with the MPOs and allow flexibility to achieve solutions in both metropolitan areas, rural areas and larger regions. These provisions will ensure that the NHS funds are invested to develop a National Highway System that serves the needs of not only urban areas but those of States, regions and the entire Nation.

Other issues related to the NHS include route adjustments and identification of the components of a possible National Transportation System. We feel that decisions on these and other NHS-related issues should be based primarily on the results of the state-wide intermodal transportation planning process currently underway in all States.

Whether moving people or goods, the highways in the NHS proposal are the primary link for our people and commerce to connect with the people and economies of the world. Any future development of a national intermodal and multimodal transportation system is dependent upon the NHS.

Simply put, the NHS is the foundation of an expanding economy and a prerequisite for our region and Nation to be able to compete in the world's economy. The DOT has fulfilled the congressional

mandate to propose this system with a timely and carefully developed proposal. We commend the DOT for the consensus building designation process it administered and once again urge Congress to designate the NHS as soon as possible.

The other issues, I will be very brief, Mr. Chairman.

Full funding of ISTEA. Let me summarize that just in one or two simple sentences. Full funding gives the States the tools to begin to address the transportation needs prioritized through the state-wide intermodal planning process. So we strongly urge Congress to distribute the maximum amount possible through ISTEA distribution formulas and to constrain any tendency toward demonstration projects which undercuts funding of the formulas. Progress towards local, regional and national transportation goals is best achieved when the act is fully funded and line item authorizations are avoided.

And I would sum up our position on mandates, sanctions and cost of program delivery very simply. I think a lot of it has been talked about before.

Any diversions of funds, whether they are for expensive crumb rubber pavements, for safety programs that we feel already have been adequately funded for management services which divert or disperse human resources away from higher priority projects, or for enhancements, or for any of these, should be weighed very carefully against how these resources could be better used. The cost of crumb rubber in pavement, the additional cost, could be better used to fix a bridge. In our opinion, we need fewer rather than more regulations, and it's our feeling on these issues that the States should have more flexibility.

We agree with these programs. They are all worthy programs. But carried to the extent that ISTEA requires, and some of the regulations require, we think, is excessive, and the money could be better used if the States have more flexibility in where and when to administer these type of management systems and all of these other programs.

We ask that the Congress and the DOT be mindful that complex structures and excessive regulatory burdens in the program can work against providing truly quality transportation services.

Mr. Chairman, in conclusion, we fully support prompt designation for this NHS, and I thank you for the opportunity to be here, and I will be happy to respond to any questions.

Senator BAUCUS. Thank you very much, Don. I appreciate that. Marvin?

**STATEMENT OF MARVIN DYE, DIRECTOR, MONTANA  
DEPARTMENT OF TRANSPORTATION, HELENA, MT**

Mr. DYE. Mr. Chairman, I guess I can still say good morning.

Senator BAUCUS. We have a few seconds yet.

Mr. DYE. I'm Marv Dye, Director of the Montana Department of Transportation. And with me today, in addition to Don Diller from Wyoming, we have Dwight Bower, the Director of the Idaho Department of Transportation; Richard Howard, Secretary of the South Dakota Department of Transportation; and Marshall Moore, Commissioner of the North Dakota Department of Transportation. We are pleased to present joint testimony on behalf of the Depart-

ments of Transportation of our States as well as the State of Wyoming. In recognition of how important transportation, and specifically highway transportation, is to this region, representatives of our State highway and transportation commissions have joined us today and are in the audience.

At the outset, Mr. Chairman, we want to thank you for providing Montana and its neighbor States this opportunity to explain our views on the designation of the National Highway System and on issues concerning the implementation of the Intermodal Surface Transportation Efficiency Act of 1991. We also want to thank you for your efforts to improve transportation in Montana and the region. You have worked long and hard, Mr. Chairman, to help others in Washington, DC, understand that it is in the national interest for the Federal Government to ensure that there is an effective transportation system in this region of the country. You fought hard and successfully to ensure that present laws treat this region fairly. We think it is typical of your persistent efforts to have invited Secretary Peña and Administrator Slater here to learn more about our concerns.

In that regard, I'd like to welcome Secretary Peña and Administrator Slater back to the great State of Montana. We deeply appreciate both the Secretary's and the Administrator's interest in transportation issues affecting the West.

In our joint statement today, we're focusing on four areas. First, Director Dwight Bower will urge prompt designation of the National Highway System. In our view, the highest surface transportation priority for the Congress is designation of the National Highway System.

Second, Secretary Howard will discuss why ISTEA should be fully funded. We strongly support full funding of ISTEA.

Third, Commissioner Marshall Moore will explain why we believe the Federal Government should stop, if not reverse, the trend towards increased regulation of States through the highway program.

And, lastly, I will offer the committee our brief comments on some of the provisions contained in the National Highway System Designation Act of 1994, which was recently passed by the House of Representatives.

Before turning to our more specific points, let us also make clear at the outset our overall feeling that ISTEA is a good beginning at a new direction. We supported its enactment. Now, having lived with it for nearly 3 years, we feel that some of its strengths include its funding flexibility, that it allows States some flexibility in design standards, and perhaps more importantly, that its overall funding formulas give appropriate recognition to the national interest in providing an adequate transportation system across and within rural areas, including this region.

As a final preliminary comment, let us also say that we strongly support the testimony presented today by Director Diller of the Wyoming DOT on behalf of the Western Association of State Highway and Transportation Officials. While our testimony may be more detailed, we are in agreement with all aspects of the WASHTO testimony.

Dwight?



Senator BAUCUS. I want to compliment you on your teamwork, here. This is an extension of your team approach up in the Kalispell area not so long ago. That's very impressive.

Dwight, go ahead.

**STATEMENT OF DWIGHT BOWER, DIRECTOR, IDAHO  
TRANSPORTATION DEPARTMENT, BOISE, ID**

Mr. BOWER. Thank you, Mr. Chairman. Thank you, Marv, for the introduction. My name is Dwight Bower, and I am the Director of the Idaho Transportation Department. I want to thank you for this opportunity to present the views of our department concerning legislation designating the National Highway System, or the NHS, as we all refer to it.

Before I begin, I'd like to mention that I'm here today not only as a representative of Idaho, but also as a member of a coalition of State transportation agencies which also include, as you've already heard, Montana, North Dakota, South Dakota and Wyoming. The oral and written testimony made by the representatives of those agencies at this hearing are fully supported by the Idaho Transportation Department.

The main point I wish to address today, Mr. Chairman, is the extreme importance of designating the National Highway System as quickly and cleanly as possible.

As you know, passage of the Intermodal Surface Transportation Efficiency Act of 1991 marked the end of an era in the history of surface transportation in this country with the completion of the Interstate System. ISTEA made significant changes in the way we do business, eliminating the old Federal-Aid Highway Program funding categories and creating a number of broad new programs which allow greater flexibility in where and how transportation funds may be spent. Emphasis has been placed on statewide and metropolitan planning processes and on development of intermodal systems which will connect all modes of transportation together into a coordinated whole. The NHS is a vital part of this intermodal transportation system.

The stated purpose of the NHS reflects congressional commitment to an intermodal network that will promote economic growth and enhance international competitiveness. This is particularly important in light of the recent approval of the North American Free Trade Agreement.

Nearly every product we buy travels by highway at some point in its journey to the marketplace. The NHS will carry the bulk of this international and interstate commerce and personal or recreational travel for the foreseeable future. As you've already heard, an estimated 70 percent of the commercial truck traffic will travel on the NHS, providing links between airports, ports, population centers and international border crossings.

At the national level it is vital that we provide the level of commitment and funding necessary to support the highway portion of a new intermodal transportation system.

ISTEA places a high priority on viewing transportation needs from an intermodal perspective. In fact, ISTEA requires each State to establish a statewide transportation plan which considers intermodal factors of public transportation management systems and

other intermodal management systems. It is in this context that the NHS will have to operate.

The more easily goods move and the faster intermodal transfers take place, the more efficient our economy will be. Without the NHS, however, the national system will break down into 50 individual systems with inefficiency and problems with the connectivity of trade or travel corridors between various regions.

The NHS, however, is not important only because of its economic impact. As a National Highway System, it will also provide a number of other benefits including increased highway safety and better system performance due to roadway improvements.

The NHS will also provide greater opportunities for urban areas to improve urban arterials and decrease congestion.

The NHS will contribute significantly to the improvement of our Nation's economy, mobility, safety, and environment.

The NHS is the next logical step in the evolution of surface transportation in the United States. It recognizes the importance of making highways part of an intermodal network to improve the economy and mobility of our country and at the same time reflects the new emphasis required by ISTEA for consideration of the energy, environmental, and social effects of the transportation choices we make.

The NHS, however, should not be viewed as a static system, but should allow the States the flexibility necessary to respond to changing conditions within the State.

If, after the Congress's approval of the NHS, a State determines that one route should be removed from the NHS and another route added while still remaining within the State's allocated mileage limit, then the Secretary of Transportation should be given the opportunity to approve those changes. If necessary, the authority to approve any additional mileage to the NHS, though, should remain with the Congress.

I'd like to add, Mr. Chairman, that the proposed NHS route system is a good one. For this reason, our recommendation to take action at this time is appropriate. Secretary Peña and Administrator Slater are to be congratulated on their efforts in working with the States and others in pulling together a workable National Highway System.

In conclusion, I would respectfully urge the Congress to move forward as rapidly as possible with approval of the National Highway System. The many issues raised in the National Highway Systems Act of 1994, H.R. 4385, can and should be resolved, but not at the expense of approval of the NHS before the September deadline.

As you are aware, if approval does not occur by that date, no NHS funding will be apportioned to the States for following fiscal years. Failure by Congress to approve the National Highway System at the earliest date possible would create an unacceptable financial hardship for Idaho's transportation program and for the other States as well.

I want to thank you, Mr. Chairman, for the opportunity to appear before you and before the Secretary and the Administrator, and I'd be pleased to answer any questions at the end of our presentation. I also have submitted a full copy of this testimony for your consideration.

I'd like to introduce Dick Howard, Secretary of the South Dakota Department of Transportation, who will testify on the full funding of ISTEA.

Senator BAUCUS. Thank you, Dwight.

Mr. HOWARD. Thank you, Dwight.

**STATEMENT OF RICHARD L. HOWARD, SECRETARY, SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, PIERRE, SD**

Mr. HOWARD. I'm Dick Howard, Secretary of the Department of Transportation in South Dakota. I appreciate the opportunity, Mr. Chairman, to testify before you and Secretary Peña again regarding the NHS designation and the implementation of ISTEA, and I also appreciate the privilege of testifying before Administrator Slater.

Senator BAUCUS. This is your brainchild, isn't it?

Mr. HOWARD. Yes. I want to talk a little bit about that.

Our department fully supports the written testimony that's been submitted by WASHTO and the other five States. This morning I want to talk briefly about the NHS, full funding of ISTEA, and of one mandate—the requirement for metric conversion—which is being imposed upon us.

First of all, I would like to reiterate the importance of the National Highway System to our area. On April 14, 1993, our States appeared before you and Secretary Peña at Kalispell regarding the implementation of ISTEA. At that time we were requesting an increase in the NHS designated miles in our States. Please remember that we showed you a map of the FHWA illustrative national highway system. The gaps between some of the illustrative NHS routes were large enough to include total New England States. Through your efforts and our working closely with the Highway Administration and DOT officials, a vast improvement has been made in the recommended NHS.

A map of the current recommended NHS has been developed for our five-State area with the New England States superimposed in the same locations as the earlier map. This shows that most of the superimposed States are now dissected by NHS routes. That's the map here which has been presented to you.

Just a brief explanation, the green lines on the map represented the illustrative system of about 11,420 miles. The New England States were scattered throughout our five-State region in areas with no access to the NHS.

Subsequent to the hearing in Kalispell and our working cooperatively with the DOT and the Federal Highway Administration, a little over 2,800 miles, or an increase of about 25 percent, were added to this system, and you can see that most of the New England States now have red lines running through them which represents the increased mileage. So we're very pleased with the cooperation that we received from the Secretary and the Administrator and his staff. In fact, it was about a month after the hearing in Kalispell that the Secretary sent a group of his top planners out to Rapid City, SD, and we went over the technical aspects of it.

So through these cooperative efforts, we now have a National Highway System that all five of our States support. So I want to make it very plain that we now support the mileage on the rec-

commended National Highway System as has been submitted to Congress.

Senator BAUCUS. Good.

Mr. HOWARD. In regard to full funding of ISTEA, we appreciate that this Administration and many members of Congress have made efforts to increase the appropriations for the surface transportation programs. We urge you, Mr. Chairman, and Secretary Peña to continue those efforts. Simply, the needs are there. Even if ISTEA is fully funded, it is not possible to undertake all of the important transportation projects which we have identified in our region, even for the preservation of the transportation system, much less any additions.

A transportation system which provides for connectivity to and within our region is not only vital to our economies, but is in the national interest. Because our region is characterized by huge distances and few people, on a per capita basis, our citizens put forward a very high level of financial effort to maintain and improve our vast transportation systems. So full funding of ISTEA makes our economy work better and at a more reasonable per capita cost. Also, if ISTEA is not fully funded, which unfortunately happens quite frequently, it becomes even harder for us to keep up with our backlog of unmet needs.

In regard to demonstration projects, we believe that demonstration projects destroy the balance of funding to the States which was provided in ISTEA through the allocation formulas. We prefer to see maximum funding made available under the formulas and limited funding to demonstration projects, if any.

While we're not advocating any changes in the funding provisions at this time, I would like to just make note of one minor aspect of ISTEA's funding allocation scheme which we believe definitely should be changed when future funding allocations are made through ISTEA. That has to do with Federal lands highway funds. Under the Act, these funds are included in the list of funding types used to calculate a State's "hold-harmless" adjustment. In effect, this provision reduces a State's surface transportation program apportionment by the amount of discretionary Federal lands highway funding which a State receives. An improvement to a road across Federal lands provides a national, not just a local, benefit, yet the Act's formula subtracts from a State's apportionment any funds received for a discretionary Federal lands highway project. Therefore, to apply for funds to improve a road across Federal lands and get those funds means that a State's allocation of funds for use on projects elsewhere in the State is reduced. As a result, this provision discourages our States from nominating Federal lands projects.

I would just like to make it very plain that except for the Federal lands issue, which I discussed briefly, and the manner of handling of formula funds under the obligation ceilings as it deals with demonstration projects and some other programs that are funded outside of the obligation ceilings, our States believe that the apportionment formulas of ISTEA are fair, reasonable, and reflect the national interest. The Federal Government should ensure that the Federal highway transportation program connects the Nation and allows people and goods to be brought to, from and through sparse-

ly populated as well as metropolitan areas. The current formulas achieve this basic goal.

Just briefly, one unfunded Federal mandate that we have to face is one that has to deal with conversion of the metric system. I know that recent appropriation bills have dealt with that issue by restricting the use of Federal highway funds for mandating or—their use for implementing metric signage on our State highways. I also feel very strongly about the conversion to metrics in the planning and design of our highway projects.

Under the current Federal Highway Administration proposal for metric conversion, it requires that all highway construction plans, specifications and estimates be prepared in metric units of measurement by September 30, 1996, or Federal-Aid Highway Program funds will not be authorized for such projects. I believe this is an ultimate unfunded Federal mandate. The estimated cost for my State is about \$4.5 million for State and local governments to convert to metric and another \$1 million is estimated for local governments.

It's also recommended that this be delayed because of the lack of public, private and government support. The Federal Highway Administration appears to be the one Federal agency that's moving forward with the metric conversion at this time.

The Interstate Commerce Commission has dropped its plans. According to a GAO report of January 1994 (Report No. GAO/RCED 94-23), the Department of Defense and NASA have requested exemptions from metric conversion because they can't get building materials made in metrics. It's similar to the testimony provided by Alaska, that it requires a dual conversion.

Mr. Chairman, again, I would like to thank you for the opportunity to be here. I want to pledge our full support on the National Highway System that has been proposed. We also support the immediate enactment of a clean NHS bill and would like to see some relief on the requirement to convert to metrics until, like, the year 2000.

Senator BAUCUS. I appreciate that. Thank you very much. Marshall?

Mr. HOWARD. I would like to now introduce Marshall Moore from North Dakota, who will talk about unfunded mandates and regulatory burdens.

**STATEMENT OF MARSHALL W. MOORE, DIRECTOR, NORTH DAKOTA DEPARTMENT OF TRANSPORTATION, BISMARCK, ND**

Mr. MOORE. Good morning, Mr. Chairman, Secretary Peña and Administrator Slater. I am Marshall Moore, Director of the North Dakota Department of Transportation. I would like to thank you for the opportunity to discuss some of our concerns with the implementation of ISTEA. I think it's important for me this morning to discuss and bring our issues plus to listen to your opening remarks, Mr. Chairman, and yours, Secretary, and yours, Administrator. In the discussion that followed, it appears, in other words, the flexibility that we enjoyed getting our National Highway System map to the way we want it, that will proceed to the other things that we have to deal with in ISTEA, and that certainly raises my comfort level and I'm sure the comfort level of the other people at the table.

Mr. Chairman, I would like to reiterate that approval of a National Highway System that meets national needs is a high priority for North Dakota as it is for the other States of the region. Our overall feeling is that ISTEA legislation has many strong points. However, there are some provisions that are imposing major problems to States as we go about implementing ISTEA, and most of those major things have already been discussed this morning, so I'm going to just reemphasize them and touch briefly on them as we move forward.

We believe the trend toward imposing burdensome transportation program requirements and sanctions for noncompliance should be stopped and reversed.

For years highway legislation has included provisions beyond those needed to make sound transportation decisions and serve our constituents. We believe the Federal transportation program should respect the rules of States and allow the States more freedom in determining whether to impose various safety, environmental planning and other requirements and activities within their borders. We suggest that the DOT review the rules, requirements and regulations imposed on transportation programs for eliminating and reducing as many of those as possible.

Some of the specific issues—and I think these issues have been discussed before in the area of management systems. We would appreciate, in other words, the flexibility to adapt the transportation system planning and management system as much as possible to the individual needs of our rural States.

In the area of crumb rubber, certainly we have a concern with crumb rubber. It imposes—they have a requirement on a highway program which should be repealed or at least substantially modified, section 1038 of ISTEA, which requires the use of crumb rubber on pavement projects.

Crumb rubber requirements in ISTEA improperly precludes States from undertaking paving projects based on cost and engineering considerations. The use of crumb rubber will significantly increase the overall cost of North Dakota's and other States' highway programs. We certainly, in other words, agree with the environmental principle, this imposing of scrap tires, and we'll work hard to find alternative uses. And we have had a test burn at the coal gasification plant in North Dakota using crumb rubber, which has been very successful. We await the second test run, and then we would like to furnish that to the national DOT for their consideration.

The seatbelt and helmet laws. I certainly agree with the Secretary, in other words, from a safety standpoint and a personal standpoint that the need for seatbelt and helmet laws are a must. But in our State it just appears, in other words, that a helmet law is some time away, and imposing the burden of that sanction on our State is a very important consideration in our highway funding. So we wish you would consider, in other words, that if they cannot be repealed, in other words, that we would at least separate the seatbelt and the helmet law and reduce the sanction.

ISTEA has been touted as a transportation bill that allows the States a great deal of flexibility, and that's what I hear today, in using Federal funds. This flexibility has caused us some problems

in a couple of areas that I would like to specifically note in our small rural States, and that is, in small transportation enhancement projects, the imposition of Title 23. Also, we have very few, but we have a few small rural transit systems, and the burden of paperwork and rules and regulations for the small amount of money causes them either a difficulty, or so much difficulty that they do not apply.

The issue of conformity of the Clean Air Act is another concern in our State. We have no nonattainment areas, and we would hope, in other words, there would be some flexibility in not having to go on a project-by-project basis on air quality.

In closing, there is need for rules and regulations to ensure consistency and uniformity. However, we must ensure that requirements do not become so complex and burdensome that they have a negative impact on the delivery of services to our constituents.

Mr. Secretary, the State legislature sets the number of people I have in my department, and even though Federal funds are available, in some cases they will not increase the number of those people to make compliance possible in some of the areas. So we plead for your consideration in reducing the burdens in some of those areas.

Once again, thank you for the opportunity to express my views.

Senator BAUCUS. Thank you, Marshall, very much.

Marvin, you are cleanup.

Mr. DYE. Well, before closing, Mr. Chairman, we'd like to take the opportunity to briefly comment on several provisions of H.R. 4385, the House-passed legislation, which would, among other things, designate the NHS. As regards the demonstration projects, H.R. 4385 will put new authorizations for demonstration projects. We suggest that an alternative to legislating new demonstration projects would be to increase formula authorization levels with any budgetary authority being rescinded.

Senator BAUCUS. Say that again, Mr. Dye.

Mr. DYE. We're suggesting that an alternative to legislating those new demonstration projects would be to increase the formula authorization levels with any budgetary authority being rescinded.

Senator BAUCUS. Okay.

Mr. DYE. As all States have projects ready to go and waiting on the shelf for budgetary authority, an increase in the obligation ceiling would be much more effective in providing a faster positive impact on the economy than on new projects which have yet to be developed. In other words, they can go right now. Shifting any rescinded budgetary authority to formulas rather than additional demonstration projects would also help restore a more reasonable balance between named projects and formula funding.

Mr. Chairman, we also take this opportunity to offer some early and cautious comments about the National Transportation System. This is a phrase that has been much bandied about without any clear definition of what precisely anybody has in mind. We think congressional consideration of an NTS should be based on specifics rather than an attractive label.

Consider, our Nation has extensive highway, transit, airport, sea and river port, lock and dam, rail, and pipeline transportation assets throughout the country. They are financed collectively by a

mix of Federal, State, local and private funds. The systems and their use are subject to varying degrees of safety and economic regulation and taxation. The Federal Government is constantly evaluating how much to invest in these systems and whether regulatory adjustments are needed.

In short, this Nation has a National Transportation System. So we believe that any proposals to create a National Transportation System are, in reality, proposals to change particular aspects of how today's systems work. These proposals must be judged on those particulars, not on an attractive label.

Section 101 of H.R. 4385 asks the Secretary to propose an NTS. As this language is undefined, we have no idea whether we will be able to support any, all or part of what the Secretary will propose. What if the Secretary will propose transferring highway program funds to airport programs, shifting administration of highway programs from States to local planning officials, increasing regulation of States or de-emphasizing Federal investment in highways in the region? Clearly, we'd have trouble with such proposals. Any effort to develop an NTS proposal must be conducted in a manner which is fair to our region of the country. Let us suggest several ways this can be achieved.

First, the proposal must be developed carefully and offer detailed consultation with the States. Development of the NHS proposal before us today essentially began in the mid-1980s with the first discussions of a program of highways of national significance. If comparable care and thought can be built into the development of an NTS prepared in just 2 years, fine, but if it cannot, we think that the appropriate care is more important than an artificial deadline.

Second, the process should focus on consultation with States and use as a point of departure the State transportation plans which ISTEA requires States to develop.

Third, the proposal should be very clear that the national interest in transportation and access to rural areas as well as metropolitan areas must be carefully considered.

This latter requirement may seem unnecessary, Mr. Chairman, because Secretary Peña has already shown appreciation of the importance of highways in rural areas. However, we are unsure that many of the proponents of an NTS care very much about transportation in rural America.

So we think statutory guidance to ensure fair consideration of rural concerns in the development of any NTS proposal is appropriate.

There are also several provisions in H.R. 4385, such as requirements for life-cycle project costs and the identification of rural priorities, local roads and bridges which will add even more program complexity and regulatory burden in project delivery. I refer you to our written testimony for our detailed concerns of these provisions.

In closing, Mr. Chairman, we thank you again for the opportunity to appear before you today and for your continuing efforts to improve the transportation system in Montana and its neighboring States. We also want to thank, again, Secretary Peña and Administrator Slater for making the considerable effort to be here today and learn more about our concerns and needs. At this time we'd be pleased to respond to any questions you may have.



Senator BAUCUS. Thank you very much, Mr. Dye.

What are the different problems that rural States have as compared to nonrural States with respect to management systems, mandates, flexibility, and so forth.

For the Secretary and for the Administrator, just very briefly hit the key differences that you think that they should hear so that these programs are administered fairly, not only from an urban point of view, but from a rural point of view.

Mr. DYE. Mr. Chairman, I don't know, we totally disagree with many of the principles behind the mandates, but I think the thing that troubles rural States is the sanctions that come along with—

Senator BAUCUS. Pull the microphone a little closer, please.

Mr. DYE. One of the things that troubles us in rural States is many of the sanctions that come along with those mandates. We've discussed this before, and I know I talked with Administrator Slater about the idea of maybe changing from a system that provides sanctions to one that provides some incentive for States to do some of these things. You know, this regulatory burden heaped upon States: maybe it's time when Congress is going to reach a point and say "no," no more sanctions, no more mandates.

Senator BAUCUS. I guess I asked the question about management systems. I guess you, Marshall, mentioned that.

Mr. MOORE. Mr. Chairman, in the area of management, certainly, which was discussed earlier this morning, the expansion of the pavement management systems beyond the highway system to the local system creates a burden in our State because we only have 13 cities that are over 5,000, and very few of those, even from 5 to 25, have the staff to provide us that type of information. There are a few cities that can match up.

In the area of bridges, that's not too much of a concern we think we have.

In the area of highway safety, we think that if the program is simple, because of the size of our State and the population of our State, we'll live with those. I suppose it is a fear of how far we have to go in these management systems to comply when we have such a rural and such a small population.

We really don't have a lot of traffic congestion. If I have to wait twice for a stoplight, that's congestion, and, believe me, I get a complaint when people do.

Senator BAUCUS. I'll bet.

Mr. Diller, sometimes there's an additional cost that's involved with crumb rubber. A suggestion is those same dollars would be better spent on a bridge, for example. Would you suggest instances where you see a better use of expenditures rather than crumb rubber?

Mr. DILLER. Mr. Chairman, in our State we don't have any crumb rubber facilities. We would have to import tires to meet demand needs of crumb rubber. It's pretty apparent to us—and we have used crumb rubber in a few experimental projects—that the costs of crumb rubber are going to run the cost of paving up considerably. We frankly don't think that's a good use of funds.

We think that with ISTEA not being fully funded and well documented by the Federal DOT, by FHWA, by our own department,

that we cannot preserve our system like we would like to with the funds we have right now, that we shouldn't waste any money unnecessarily. It seems to us, that after having to import tires, having to grind tires up, having to go to the additional expense for pavement projects—just takes money away from other critical activities.

It's a worthy project, and there are some uses to integrate it in Wyoming that it may well be useful. But to have a mandate for a certain percentage, in our opinion, is just simply uncalled for, and we think the costs are going to exceed the good that it's going to do.

Senator BAUCUS. Dwight?

Mr. BOWER. Mr. Chairman, I'd like to just touch on two points that you've already asked questions on. One of them is on management systems. One concern is that management systems are rather data intensive as you begin to look at what kinds of data you need, how you're going to collect it, and what it's going to cost you to gather it. When you come from small, rural States with limited resources, you don't have to look at what a penny of gas tax collects to know that we don't have that kind of money, particularly in the planning area. So I think in rural States, like Idaho and the rest of those that are before you, we ought to look to those management systems and collect only that data in the places where it's really going to be important and make a difference rather than going across the board, and I think we need to look at that carefully as we proceed with those.

I'd like to make one point on crumb rubber. In Idaho there are two plants that are currently burning tires as part of their production: one a cement plant and one in a wood pulp plant. I think they're burning well over 50 percent of the tires that are generated and used in the State of Idaho; and they claim that they could use 100 percent. Most of the tires in Idaho today are being collected at the place where the new tires are put on, and they're taken directly to these recycling centers where they burn them in these two plants. To use crumb rubber, we would have to bring it in from some other State. It's a fairly expensive activity, and I'm not sure that we're producing any value added in doing that.

I'm sure you might argue that whether burning tires or putting them in asphalt is the most appropriate and highest use, but that is currently what's going on in our State.

Senator BAUCUS. Thank you.

Mr. HOWARD. Mr. Chairman, if I might very briefly on crumb rubber, I'd like to compliment the Secretary on his efforts in forging a compromise in the House bill. While our initial preference was to see it repealed, we understand the political realities of doing that. We believe that certain provisions in the House bill, such as having the program ending in 1997 as a mandatory program, is certainly positive. It reduced the percentage of the mandated percentage; it allowed the alternate uses, which are quite broad.

I guess there are a couple of things that we would like to see done to it when it, maybe, gets over on your side of Congress is to see the mandated percentage reduced even more for 1996 and 1997, which would indicate that it's a program that's being phased out as a mandatory program rather than having a high level of mandated requirements in 1997 and then just drop it. But we be-

lieve that what's been done is positive and helps us in dealing with the problem, dealing with crumb rubber.

Senator BAUCUS. I'd like to raise one specific issue. A few days ago I was up in Glasgow. The folks at Fort Peck Lake are very concerned about lack of access to the lake. It rains up there and it gets "gumbo," or slippery. It's very hard to get access to Fort Peck Lake. I don't suppose they care whether it's an NHS road or not, but at sometime I'd like you, Marvin, and also you, Secretary and Administrator, to look at the way we work with funding to get access up there on Fort Peck. There's similar examples, I guess, in North and South Dakota, but it is a major concern—not a lot of people, but it's very important to a certain number of people throughout the State.

Here's your chance to say what else you want to say to me and to the Administrator and to the Secretary, or whatever comes to mind.

Mr. BOWER. I'd just like to comment. I know you've asked the question on demonstration projects, and I heard the Secretary very clearly say that the Administration did not support those. Coming from a State that has none in the House bill, I can say without any problem that we do not support the demonstration projects in putting forth the National Highway System. But I hope you recognize the position it puts a State like ours in, not knowing exactly how this is going to go. We care as deeply about our roads as any other State, and it's unfortunate that we be put in a position of, on the one hand, being very outspoken in the opposition of demonstration projects, but then seeing the reality of what's going on and saying we really do need to participate, if, in fact, that's the game that's going to be played. So we would hope that that would clarify so we would know that either we're doing it right or we need to do something different.

Mr. DYE. Mr. Chairman, in Montana some of our studies have shown that our 10-year needs are approaching \$6 billion and our revenues over that same period of time are going to be about \$2 billion. You can see that reversing the trend of demonstration projects and providing full funding of ISTEA—the number was roughly \$29 million more funding for Montana—would certainly go a long way towards filling the gap for us.

Mr. MOORE. North Dakota would certainly second Idaho and Montana with respect to demonstration projects, because in fulfilling our need on our priority list, we certainly don't meet that need within the program. Usually the demonstration projects have been something outside the program, which in many cases are nice, but certainly in maintaining the network of highways that we need, it's important to keep as much money in the program as possible.

Senator BAUCUS. I want to thank the Secretary and Administrator and give them an opportunity now to make any statements or ask any questions that they want to ask. I know they've heard a lot here and learned a lot here.

Secretary PEÑA. I just have two brief questions.

Number one, The Department is seeking your guidance on the metrication process. We're in a no-win situation because we have, first of all, what we perceive to be a congressional mandate saying that metrication should occur, and then we have another provision

passed by the debate which says we can't use any Federal funds to do it. And I guess my question to you is, because we're having this discussion internally about what should be the Administration's position, is it your view that we should just forget about metrication and not join the rest of the world in metrication, or is it your view that we need to postpone it and gradually, through education in our public school systems, educate the next generation of Americans to become accustomed to this whole system so we can gradually make it part of the American work place? What is your judgment?

Mr. HOWARD. Mr. Chairman and Mr. Secretary, I would respond to that. I think that we need to continue with metrication. I feel very strongly, though, that our domestic transportation system shouldn't be one that carries the burden of implementing the metric system. I think that we need to slow down and have a coordinated effort among all Federal agencies.

It's my understanding, from reading the report put out by GSA, that our Department of Education hasn't even developed a plan yet for educating the public. So I think that we need to slow down and get all Federal agencies, also the general public, and private enterprises need to get involved.

As was pointed out in Alaska, they have let one or more projects in metric. The first thing that happens is that the contractor, even when he's bidding it, he does a soft conversion from metric back to English before he submits his bid because you can't buy building materials in metric units in America yet. That's why NASA and the Department of Defense and Corps of Engineers are also seeking exemptions, because private enterprise has not gotten involved in metrication and aren't producing any materials that we can construct.

I think it's also important in our area of the country, where we have a lot of small highway contractors. They have no idea what's involved in metrication. It's an added burden, I think, to small contractors if they would have to take a set of metric plans, convert it back to English, or however they go about bidding it. So I think that more education is required. Other agencies have sought or are seeking exemptions from the Act, which the Metrication Act does provide that you can get exemptions if it's an undue burden or there are some other criteria.

Also, Mr. Secretary, as a State DOT, we deal with the Federal Aviation Administration, Federal Railroad Administration, Federal Transit Administration, and out of all of those, the Federal Highway Administration appears to be the one that's moving forward with the most vigor.

Secretary PEÑA. My second question, again, asking for your guidance on this issue of crumb rubber. You know, I don't pretend to be an expert in crumb rubber, but I do understand that certain States have had successful applications of crumb rubber. I mentioned one earlier in Nevada. I think others have experimented with it.

How do you account for that different experience, and what guidance would you give us, and particularly those in the national side which were interested in pursuing some kind of crumb rubber in approaching this problem, other than reducing—look, it's easy.

We're either going to have it or we're not. It seems to me, if we're going to reduce the percentages either 5, 10 or 15, or 5, 7 or 9, whatever, it's still going to be a burden on you, even if it's only for 3 years. And if it's done after 3 years, it's still going to be a 3-year burden. So why go to the trouble of doing all that, is the first question I have? So if it's just bad as a matter of public policy or because it's expensive and doesn't work, let's not have it. But if it does work in some States, as apparently it does, what kind of a policy would make sense? And I guess, perhaps, today isn't the day to give us a full answer, but if you could give us your thoughtful analysis of that. And if we had to develop a system to accommodate areas that can do it in a thoughtful way, how best could we do it?

Senator BAUCUS. I might add, the States that have it don't mind it quite as much as the populous States: Texas, California, and Florida, who have an awful lot of tires. The rural States don't have the facilities. We have to buy the tires. So it's a function of population density, to some degree.

Mr. BOWER. Secretary, I think you brought up some good points, and one, I guess, I think of quite often is that there are a number of opportunities, not just in rubber tires, but in other recyclable products in this country that may, in fact, find their way into the building industry. They ought to find their way in because it makes good sense. It's economical, it extends the life, it has qualities that we as engineers within transportation find attractive. I guess I would suggest that if, in fact, we are caring—and I believe we are—in using those products wherever it makes good sense, that we ought to look in terms of providing incentives.

As you look at States like California, Arizona, and Florida, they've found that it's serving them well by using crumb rubber. Now, there may be something about their environment. We talked about that earlier. There may be other factors, availability of material. Those ought to be reasons, on the one hand, for them to use it, and the other is that it improves and enhances the quality of the product.

In our States, first of all, the availability of the product's not there. We really haven't had the experience to know whether it helps at all. As a matter of fact, I think there's a lot of discussion that it goes the other way.

So when you start mandating people who care very deeply about the product that they put out that they do something, that, one, is going to cost more, and, two, may not be as good as the product they were putting out before, then I would hope that you would expect they would question that.

Senator BAUCUS. Okay. Rodney, questions?

Administrator SLATER. Just one question, maybe two, depending on the response.

As relates to the management systems, I think, you know, we've clearly heard your comments in that regard today. But with so much responsibility being transferred from the Federal Government to the States as a result of ISTEA, do you think that there is some way for us to have a meeting of the minds regarding the management system so as to provide some assurance that with that responsibility being transferred at the State level, certain precautions and steps are being taken to ensure that the road system

is going to be a good one, that the pavement will be good, and that a commitment will be made as to safety, all of those concerns that the management system seeks to address?

Mr. MOORE. Administrator Slater, we certainly would feel comfortable, you know, that we would be responsible in that area. Certainly, the management systems have merit, and if they're flexible to adapt to our small States so that we don't either, as Dwight Bower mentioned, come up with a lot of data sitting there that we can't use but we do the things that are appropriate. And maybe what it has to be is a discussion, if we can discuss it, in other words, and outline what we think is appropriate and have that reviewed.

Administrator SLATER. Very good. I would also say that there are a number of other States, particularly in the South, that have raised the same question, because you do have some smaller States there as well, my home State, Arkansas, to be included in the number. So clearly, we're going to try to be as sensitive in working with you through that process as we can.

That's pretty much it. I've taken a lot of notes. I know that the Secretary will follow up with you. I would say this, Mr. Chairman: I would be remiss if I didn't note the presence of some of the members of the FHWA staff who are here who have really been spending a lot of long hours with these gentlemen and their staffs in responding to the various requests. Kevin Henieu and Hank Honeywell—why don't you stand? And then Frank Calhoun. Is there anyone else? Steve Lewis. Right over here. Steve helps me with the GIS presentation every turn.

But these individuals, along with others whom they represent here today, have really done a super job, and I want all of you to know that when the Secretary is saying that we've done well, I'm thinking about all of you in the same when the chairman and other members of Congress make that point. We know that it's a true partnership, and it will continue as we move forward.

Senator BAUCUS. Thank you very much, Rodney.

I'd also like to point out, to those who don't know, my staff, here. Kathy Ruffalo is here from the committee staff in Washington, DC, very much involved in the transportation issues. Then I have Holly Luck and David Calton over there who's stationed here at home. So Dave's here in Bozeman, and Holly's over here in Helena.

I also want to thank Kristi Eayrs and Abby Wass-Jackson. They are the loyal stenographers here. They do good work, and we appreciate it very much.

Mr. BOWER. Mr. Chairman, could I add something?

Senator BAUCUS. Certainly.

Mr. BOWER. I have been in the transportation business. I started right out of college as a civil engineer, working closely with the Federal Government. I've been with State government all that time, and I have to say that I don't think we've ever had better relationships, closer working together, and flexibility and understanding working with Federal highways than we have right now. I, for one, want to recognize that. I'm sure it's the effort of a lot of people including the States, but it's certainly welcomed and appreciated.

Senator BAUCUS. Thank you. that's my impression, too.

So with that, let's give a big round of applause. The meeting's adjourned. Thank you.

[Whereupon, at 12:50 p.m., the committee adjourned to reconvene at the call of the Chair.]

[Statements submitted for the record and the bill, S. 1887, follow:]

STATEMENT OF ROBERT CUELLAR, DEPUTY EXECUTIVE DIRECTOR FOR TRANSPORTATION PLANNING AND DEVELOPMENT, TEXAS DEPARTMENT OF TRANSPORTATION

I would like to thank Chairman Baucus and the Members of the Committee, as well as Secretary of Transportation Federico Peña and Federal Highway Administrator Rodney Slater, for allowing me to share a few thoughts with you about the proposed National Highway System and its anticipated effect on transportation in Texas and throughout the Nation.

BACKGROUND

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established a National Highway System (NHS) for the following purposes:

“. . . to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel.”

Last year the Federal Highway Administration (FHWA), with the 50 States, developed the proposed NHS map. The States developed their individual candidate route maps using a process that included extensive public involvement and coordination with local planning organizations.

The proposed NHS system consists of approximately 159,000 miles of roadways that qualify as being “strategically important.” According to the U.S. Department of Transportation, the NHS represents a first step toward a national plan to integrate all modes of travel and to enable State officials, in consultation with local governments, to determine the best methods to move people and products. As FHWA Administrator Rodney Slater announced at the unveiling of the NHS map, “. . . the National Highway System is going to be the backbone of our national transportation network in the 21st century . . . providing the means for sustained economic strength, productivity, growth, and competitiveness in the global market place.”

PRIMARY NHS ISSUES

*NHS Benefits.* The NHS will serve as both the principal transportation conduit for the movement of people and goods throughout the United States and as the critical link between the United States and its major trading partners around the world. A strong NHS will also support the movement of people and goods among the various transportation modes.

The efficient movement of people and goods is important to the economic vitality and quality of life of our communities. As a component of a productive mobility system, the NHS will help reduce congestion, speed the movement of goods and reduce the negative impacts of transportation and commerce on the environment.

The NHS will complement the Nation's other major transportation systems. When these systems are joined with one another, they will make up a truly national transportation network. States can develop mobility corridors incorporating a selection of new freeways, HOV lanes, light rail and ports to provide the customized infrastructure needed to move people and goods.

*An Adjustable NHS.* The NHS, while limited to a set number of significant national priority routes, will remain a viable system only if it reflects the changing dynamics of surface transportation throughout the Nation. Congress should adopt an NHS program that will allow the routes on the NHS map to be adjusted to meet the changing transportation needs of localities, the State and the Nation. As provided in the NHS bill adopted by the House of Representatives, proposed modifications to the NHS should meet established criteria for inclusion in the NHS and should be developed with consideration of the views of both the States and local officials. As the criteria defined in legislation gain meaning through being applied, how-

ever, we hope that the process of making modifications might be expedited and simplified by allowing USDOT to grant final approval.

*Safety and Design.* Particularly on routes that will carry international trade traffic across our borders, we must recognize the necessity for national uniformity. These routes will often carry the heaviest truck traffic. The Federal government must assist the States in identifying safety and maintenance needs.

In cooperation with State and local officials, the Federal government should also establish uniform national guidelines for applying existing design standards to this system of nationally significant highways. The NHS should not be considered an extension of the Interstate System, however. To apply either Interstate design standards or some other standard higher than warranted by the type of traffic using the facility across all NHS routes would be both inappropriate and counterproductive.

Rather than creating new design standards unique to the NHS, State transportation departments should be able to determine the most appropriate level of design standards for particular routes. Uniform Federal guidelines should assist the States in applying those standards most appropriate to the specific needs of each type of route, considering its functional classification, type of traffic, safety, and surrounding environment. In applying existing standards according to uniform Federal guidelines, Federal, State, and local officials should remain mindful of the need to assist the movement of personal vehicles as well as the complex movement of large, over-size and overweight vehicle loads.

*Without an NHS Designation.* After September 30, 1995, Federal funds authorized for the NHS and for Interstate Maintenance (IM) cannot be distributed until Congress has designated the necessary routes. Should this occur, approximately \$6.3 billion annually might not be available to help States meet their transportation needs. Of this amount, Texas' share is approximately \$440 million annually.

If NHS and IM funds are not distributed, money for congestion relief, traffic management and system preservation on our highways would drop sharply. Loss of funds to construct additional highway capacity or install sophisticated traffic management systems would mean:

- loss of State jobs,
- increased congestion on major highways, with resulting losses in productivity,
- dilution of available highway maintenance dollars to cover the Interstate system, resulting in an overall lowering of the quality of highways, and
- higher transportation costs (and associated increased costs of goods and services) resulting from congestion and wear and tear on trucks travelling on less well maintained highways.

Perhaps a more real concern, however, is that Congress will wait until the threat of withheld funds is upon us before designating an NHS. Delay in designating the NHS is costly. Until the National Highway System is officially designated, State transportation departments and local officials cannot do their best in planning, developing, and implementing effective transportation investments that are vital to the economic growth and global competitiveness of the Nation. We urge the Environment and Public Works Committee and your colleagues in the Senate to adopt legislation designating a National Highway System before adjournment of the 103d Congress.

#### A SYSTEMS APPROACH

The NHS represents the primary highway network in the Nation. In developing and funding this and other major national transportation systems, Congress should focus more on systems and networks than on specific projects. Planning transportation on a project-by-project basis limits the ability to perceive and evaluate alternatives. If the transportation infrastructure we are providing and preserving today is to meet the transportation challenges of today and of tomorrow, Congress and the States must think in terms of transportation corridors, modal systems, and interconnected networks of transportation modes. For example, we cannot develop an effective hurricane evacuation system one route at a time. We have to look at the entire route system—at how the routes connect and feed into one another—to know that our citizens will be able to get to safety quickly.

The same principle applies to trade routes. Although the NHS system will comprise only 4 percent of the Nation's roadways, the system is expected to carry about 50 percent of the Nation's total traffic and about 70 percent of the truck traffic in the Nation. The Federal government and the States share a vision of a trade corridor system and work cooperatively to develop it. We will not create or maintain the transportation infrastructure needed for growing international trade if we think



route by route. Only by stepping back to get the whole trade picture can we design systems that will assist the smooth flow of commerce along trade corridors throughout the Nation.

This systems approach makes partnerships between Federal, State, and local transportation officials essential. It also means that, if today's partnerships are to continue to succeed, they must function more effectively. The national interest in providing sufficient highway infrastructure to carry this vital commerce also requires that existing partnerships expand to include both the domestic private sector and international transportation officials. This vision has led Texas to place its greatest priority on the NHS routes that support international trade.

#### THE NHS IN TEXAS

On the proposed NHS map, Secretary Federico Peña allotted Texas 13,311 miles. These 8,711 rural miles and 4,540 urban miles are based on the State's proposal to the U.S. Department of Transportation. The TxDOT proposal tried to select routes that connected:

- all areas of 25,000 or more population,
- major Gulf of Mexico ports,
- international border crossings with Mexico, and
- major highways with other States.

The rural portion of the NHS in Texas was selected from a larger State network, the Texas Highway Trunk System. This system is the foundation of the State's transportation system.

The urban NHS mileage allocated to Texas by USDOT department was further allocated by TxDOT to each urbanized area with a population of 50,000 or more, based on the 1990 Census.

The States' metropolitan planning organizations (MPOs), in cooperation with the department's local district offices, selected the routes to be included in the urban portion of the candidate system.

The people of Texas, as well as their elected officials, participated extensively in the selection of the routes included in Texas' candidate NHS proposal. There were opportunities for public participation at both the metropolitan and statewide levels, including a statewide public hearing. Through this public participation process, the department identified an additional 574 miles above USDOT's target allocation of rural NHS roadways that we believed deserved inclusion in the candidate rural NHS in Texas. We are pleased that we were able to persuade Secretary Peña to include these additional routes in the system USDOT proposed to Congress.

The Texas Transportation Commission recently adopted a resolution on the importance of the NHS. A copy of this resolution is included for your information. In brief, the Commission supports the full designation of the NHS as the primary highway network, and we recommend:

- a limited but adjustable NHS,
- full and adequate Federal funding for the NHS,
- the establishment of uniform national design standards for the NHS, and
- the continuation of the State's role in NHS project selection and funding decision making, in cooperation with local officials as outlined in the ISTEA.

Over the next 6 years, Texas plans to use \$1.3 billion in Federal funds on NHS routes within Texas. We will use these funds to ensure that the NHS routes in Texas serve as the vital transportation links between major population centers and entry points to the State and to the United States.

#### THE NHS AND INTERNATIONAL TRADE THROUGH TEXAS

The North American Free Trade Agreement (NAFTA) will place even greater demands on transportation infrastructure, particularly in Texas. Of the total overland trade between the U.S. and Mexico, 80 percent travels through Texas; 74 percent of this is carried by truck. The primary roadway system and border crossings used by exporters and importers are located in Texas—Laredo, El Paso, and Brownsville accounted for 68.6 percent of total U.S. export trade to Mexico in 1992.<sup>1</sup> Six of the Nation's top ten exporting ports of entry are in Texas.

Total trade between the United States and Mexico has risen from \$30 billion in 1983 to \$74 billion in 1992. In the near term, exports to Mexico are expected to ex-

<sup>1</sup>Shiner, Moseley and Associates, Trade Flows and Transportation Along the U.S. Mexico Border in Texas and Mexico, 1993, pages 7-8.

pand to \$44 billion by 1995.<sup>2</sup> Increases in international trade will preserve existing U.S. jobs, create new ones, and improve the economies of both the U.S. and Mexico. Increased trade will assist in providing a favorable climate for economic growth and job creation.

Trade and manufacturing rely heavily on the transportation infrastructure, an essential for a prosperous future for North America. To safeguard the economic and social prosperity of both the United States and Mexico, the United States must provide a reliable gateway for U.S.-Mexican trade by maintaining and improving our transportation links with Mexico. Most of those links pass through Texas.

As international air, water and highway traffic increases with expanding international trade, NHS designation will be increasingly important for both Texas and the Nation. By creating the NHS, Congress made a commitment to improving international trade. Along the U.S.-Mexico border, that commitment will be realized only through appropriate financial support for roads and other elements of transportation infrastructure. Each Federal transportation dollar spent to improve transportation infrastructure along the U.S.-Mexico border will be a dollar well invested in expanding trade between both those great nations.

Although infrastructure development along the U.S.-Mexico border will benefit local economies and economic trade partners within Texas, it is vital, as well, to States in the interior of the United States and to States along the northern U.S. border. Investments in improving the transportation infrastructure in Texas, especially along the U.S.-Mexican border, will help keep trade flowing smoothly. Efficient trade corridors through Texas will mean that the economies of interior and northern tier States can grow along with the economy of Texas.

Development of the NHS High Priority Corridors, established in the ISTEA, will complement our border area infrastructure program. It is particularly essential that the Congress fully support and fund the completion of:

- High-Priority Corridor 1 (from Kansas City, Missouri to Shreveport, Louisiana),
- High-Priority Corridor 18 (from Indianapolis to Houston), and
- High-Priority Corridor 20 (U.S. 59 from Laredo, through Houston to the vicinity of Texarkana).

Congress created these high-priority corridors because some areas of the Nation are not now adequately served by either Interstates or comparable highways. The purpose of these corridors is to more fully integrate those regions into the national transportation network. By improving the efficiency and safety with which people and goods can move into and out of those under-served regions, Congress sought to promote their economic development and that of the entire Nation.

Particularly as we begin implementation of the North American Free Trade Agreement, however, it is becoming clear that one priority corridor is incomplete. The Lower Rio Grande Valley in Texas is one of the most populous areas in the Nation not now served by an Interstate-quality highway. To remedy this oversight, the Texas Transportation Commission recently authorized the department to investigate the feasibility of constructing a high-capacity, limited access facility to the Lower Rio Grande Valley.

When completed, these NHS corridors will together comprise a major United States-Mexico gateway for the Midwest, the industrial Northeast, and for major trade centers in Canada. Taken together, they will serve as the primary route for international trade from Montreal and Central Canada to Monterey. Other proposed major trade routes through the eastern, midwestern and western U.S. will likewise link the three nations of the NAFTA together for prosperous trade. The economies of all States along the corridors and the national economies of each of the three NAFTA trade partners will all benefit.

In Texas, we are encouraged by the increase in the Federal-Aid Highway Program in the U.S. Department of Transportation's 1995 budget proposal. However, we feel that, to ensure that international trade flows smoothly, additional Federal funds are necessary.

Implementation of NAFTA will place great responsibility on States along the Canadian and Mexican borders to ensure that the infrastructure required for free-flowing international trade is in place and functioning. Senator Hutchison, together with other members of the Texas congressional delegation, have stressed the importance of investing in our Nation's border infrastructure. We agree with them.

A provision of ISTEA added by Congressman Greg Laughlin of Texas required the U.S. Department of Transportation to study the feasibility of establishing an Inter-

<sup>2</sup> Ibid. 2-3.

national Border Highway Infrastructure Discretionary Program. The study report, released in January of this year, States, in part, that USDOT could implement such a program if the Congress established one. However, the report recommends that Congress pursue full funding of the ISTEA, private sector funding of infrastructure improvements and Federal-Aid Highway Program options to improve transportation infrastructure related to international trade.

Whatever the funding mechanism for assisting the border States with their burden, we should not delay. Trade is escalating now. We have suggested that Congress consider creating a dedicated border infrastructure investment fund. Since the purpose of infrastructure improvements required by increased international trade are intended to advance the economic interests of the entire Nation, however, equity requires that funds a State receives from this fund would be to assist it in shouldering the additional burden associated with increasing international trade. These funds should not affect funds the State normally receives through existing formula distributions.

#### CONCLUSION

The National Highway System is vital to an accessible and efficient intermodal transportation system for Texas. The NHS will be a transportation keystone for the Nation's prosperity and mobility.

The increasing needs for surface transportation in Texas, most notably those needs resulting from increased trade with Mexico and Canada, require increased investments in transportation at the local, State and Federal levels.

The designation of the NHS is the first step toward providing an integrated transportation system that will be flexible enough to meet the changing transportation needs of the Nation into the 21st century.

Texas is eager to usher in the next century with a transportation system that strengthens the social and economic activities of the Nation. In so many ways, we have already begun this process. However, we need your assistance and guidance to develop a transportation system that accurately reflects the changing dynamics of our State and Nation. And the sooner, the better.

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#### RESOLUTION TO ESTABLISH THE POSITION OF THE TEXAS TRANSPORTATION COMMISSION ON THE NATIONAL HIGHWAY SYSTEM

*Whereas*, the U.S. Congress through the enactment of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) created a National Highway System (NHS) as a keystone for the Nation's prosperity and mobility, providing the infrastructure necessary to deliver goods and services; supporting the health, education, and defense of our Nation; connecting major population centers and supporting their economic development; linking the Nation's highway network and all other modes of transportation—including airports, rail lines, transit, and ports; and improving our Nation's environment by enhancing mobility and congestion relief; and

*Whereas*, the ISTEA established an overall limit of 155,000 miles (+/- 15 percent) for the NHS and provided important criteria for selecting routes for the NHS. By focusing Federal priority on the National Highway System and adhering to the ISTEA system limits, Congress allows States to effectively manage the Nation's transportation systems; and

*Whereas*, the NHS should be included as the highway network in any future National Transportation System; and

*Whereas*, the NHS serves as the conduit for the seamless movement of people and goods among the various transportation modes throughout the United States and between the United States and its major trade partners around the world. The NHS will be a vital link between our international border crossings and the major commercial centers of the Nation and will provide a safe and efficient transportation system that will promote increased international trade within the North American Free Trade Zone encompassing Canada, the United States, and Mexico; and

*Whereas*, the NHS will help reduce congestion, speed the movement of goods, and reduce the negative impact of transportation and commerce on the environment, enhancing the economic vitality and quality of life of communities; and

*Whereas*, the NHS, despite necessarily being limited to a set number of significant national priority routes, will remain a viable system only if it reflects the changing dynamics of surface transportation throughout the Nation; and

*Whereas*, the NHS designation will help prepare transportation officials to implement design criteria which will enhance the safety, environmental integrity, and

mobility elements of the system, assisting in the movement of a single individual vehicle as well as the complex movement of extremely large oversize and overweight permit loads; and

*Whereas*, after September 30, 1995, approximately \$440 million to Texas in annual Federal surface transportation funds authorized for the NHS and for Interstate Maintenance (IM) cannot be distributed until Congress has designated an NHS. Failure to designate an NHS would result in:

- (1) loss of jobs in the State economy,
- (2) increased congestion on major highways, with resulting losses in productivity, and increases in environmental pollution,
- (3) dilution of available State dollars for highway maintenance to cover the interstate system, resulting in an overall lowering of the quality of Texas highways, and
- (4) higher transportation costs (and associated increased costs of goods and services) resulting from increased congestion and wear and tear on vehicles travelling on less well maintained highways; and

*Whereas*, although Congress could enact supplemental authorizing legislation diverting NHS and IM funds to the Surface Transportation Program, such diversion would dilute the focus of 8 national priority highway system, funds would be diverted through statutory "set-asides" for transportation enhancements and safety improvements, and the State's ability to support a network of primary highways would be limited; and

*Whereas*, in NHS decision making, the States should participate fully in an open partnership with local officials as envisioned by ISTEA. The active involvement of local officials, the public, and interest groups is vital to ensure that the NHS serves the needs of the Nation, both in terms of local needs and inter-regional connectivity. This open partnership will:

- (1) foster joint consultation and appropriate decision making responsibility for funding and project selection,
- (2) preclude the need for any suballocation of NHS funds beyond the statewide level, thus preserving statewide linkage and the safe, effective, and efficient movement of people and goods, and
- (3) preclude the need for any set-asides for highway maintenance and inter-modal purposes.

*Now, Therefore, Be It Resolved* that the Texas Transportation Commission supports the designation of the NHS as the priority network of highways in the Nation and recommends that:

- (1) Congress should limit the National Highway System to approximately 155,000 miles as established in the ISTEA;
- (2) Congress should adopt a National Highway System program which will allow the States, with USDOT approval, to adjust the routes on the NHS map to meet the changing transportation needs of localities, regions, the State, and the Nation; and
- (3) Congress should provide full and adequate Federal funding for the National Highway System to support and protect its vital role in providing for the efficient movement of people and goods throughout the United States and as a conduit for international commerce at our Nation's borders; and
- (4) the Federal government, in cooperation with State and local governments, should establish uniform national design standards to enhance safety aspects of the NHS. The NHS should not be considered an extension of the interstate System but rather a system with a focus on nationally significant highway routes. The uniform levels of design standards should be based on the traffic and safety needs of each type of route; and
- (5) States should continue to have overall responsibility for NHS route and project selection in partnership with local officials as outlined in the ISTEA. The Congress should maintain the local planning role outlined in the ISTEA.

By approval of the Commission at Austin on the 24th day of February, 1994.

DAVID BERNSEN, *Commissioner of Transportation.*  
HENRY R. MUNOZ III, *Member.*  
ANNE S. WYNNE, *Member.*

STATEMENT OF RICHARD A. WEAVER, ON BEHALF OF THE CALIFORNIA DEPARTMENT  
OF TRANSPORTATION

Mr. Chairman and Members, my name is Richard A. Weaver, Interim Chief Deputy Director for the California Department of Transportation (CALTRANS). Let me first say how pleased we are to have been invited to this hearing being held for the purpose of adopting the National Highway System as required in the Intermodal Surface Transportation Efficiency Act of 1991 and related activities.

NHS—SIZE, DESIGN STANDARDS, PROCESS FOR MODIFYING

Fundamentally, California is satisfied with the process and the designation of the National Highway System. California's NHS recommendations were included in the United States Department of Transportation (U.S. DOT) transmittal to you except for three routes providing access to military facilities. We expect the questions on these routes to be amicably resolved between U. S. DOT and ourselves.

California's proposed NHS submittal is about 13 percent less than its allocation. We did ask the FHWA, and would ask you, to hold our unused NHS mileage for future considerations, and to permit the State to make adjustments to the NHS over the next 4 years.

We continue to support the need for the federally legislated routes, the size of the NHS, and the process used in designating the system. There is an appropriate role for the Federal Government to play on the Nation's infrastructure. However, we believe that role should be limited to routes and issues that are truly of national interest.

Once the Federal interests are achieved, greater flexibility should be given to the States to develop their transportation infrastructure and intermodal systems. The States need more flexibility to design and construct their infrastructure to standards appropriate for the transportation needs and local conditions with nominal Federal oversight. I believe the States have proved to be excellent stewards of the Interstate System.

Beyond this, we would like to see the Intermodal Surface Transportation Efficiency Act of 1991 remain unchanged but would like to take this opportunity to comment on proposals in various stages of development that may be offered as amendments during the adoption of the NHS.

FEDERAL MANDATES AND SANCTIONS—COST OF DOING BUSINESS

State and local jurisdictions are being financially suffocated by an ongoing stream of unfunded Federal mandates. By mandating new programs without appropriate funding, Congress is shifting the costs associated with implementing these programs to already depleted local and State treasuries. It is estimated that the 101st Congress passed legislation that will cost State governments \$15 billion over 5 years.

Unfunded Federal mandates have become increasingly common in recent years. The National Performance Review reports that there are 172 Federal statutes that can be classified as unfunded Federal mandates. The list of unfunded Federal mandates affecting transportation includes, but is not limited to: the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, the Americans with Disabilities Act, the Endangered Species Act, and the Fair Labor Standards Act.

The reason for the increase in unfunded Federal mandates is not surprising. With the Federal Government being \$4 trillion in debt, the Congress and the Administration have increasingly looked to State and local treasuries as a means of financing Federal policy.

The increased use of unfunded Federal mandates has unfortunately coincided with the cutback and curtailment of Federal moneys to States and local governments. The combination of more unfunded Federal mandates and less Federal resources being distributed to all levels of government is a recipe for disaster. Being compelled to meet the Federal requirements or risk substantial fines or sanctions for noncompliance, State and local governments have no choice but to use locally raised revenues to satisfy the Federal mandates.

We recognize the difficulty of retroactively paying for transportation related mandates Congress has already passed but we would be heartened if in the future, Congress shouldered more of the financial responsibility now saddled on the State and local governments.

MINIMUM ALLOCATION/FORMULAS—TOO EARLY TO MAKE CHANGES

We are pleased that Congress appears to be willing to wait for the General Accounting Office report on funding formulas before opening the discussion on such a contentious issue. The minimum allocation provision that was an integral part of

the ISTEA debate on funding process, to our dismay, is being discussed in the appropriations process. We would argue that putting it on the table at this time makes the total ISTEA vulnerable to dismemberment. Let's let ISTEA run its authorized course before we consider a major overhaul.

#### MANAGEMENT SYSTEMS—COULD BE DELETED FROM ISTEA AND NOT AFFECT ANY OUTCOMES

The six management systems that were a part of ISTEA, on the surface appeared to be reasonable. In fact, in many cases, and as needed, States had developed management systems to fit their specific needs and decision making processes. We have been surprised at the complexity and expansion of the concept through the Federal regulatory process. It is very difficult to see the value added by these onerous requirements to those systems we already had in place to satisfy our needs. If the intent is to satisfy the needs of others, it is not readily apparent. If you were to offer as a nonpolicy change to ISTEA the deletion of this requirement, the collective applause from most States would be deafening.

#### DEMONSTRATION PROJECTS—NOT EFFECTIVE WAY TO DO BUSINESS

ISTEA went to great length to revitalize the planning and programming process to be sure that the best transportation projects were selected by the locals, MPO's, and State governments working together. ISTEA was structured in such a way that the very expensive management systems would be an integral part of the project selection process as well as an extensive public involvement. Despite such lofty goals, demonstration projects crept into ISTEA to the tune \$6 billions, and more are added each year.

These high cost, high profile projects take off the top funds that would otherwise be apportioned to all the States. While we may agree that some consideration should be given to projects of this nature, we prefer that the present State/MPO/public input partnership stressed so soundly in ISTEA be the predominant means for planning, evaluation and selection of projects.

#### CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM-MAINTENANCE OF ATTAINMENT AREAS

It comes as no surprise that the prediction advanced during ISTEA debates that the CMAQ program had a serious fault, has come true. Through the combined effect of the CMAQ program and other activities some non-attainment areas are or will be meeting specified air quality standards before the end of the ISTEA. This has created the anomaly that by meeting the air quality standards the very funds that brought compliance now will be cutoff when in fact the now attaining areas must keep in place all the activities that resulted in attainment but with less funds. It has been proposed in some quarters that the program funding be frozen for the remaining years of the CMAQ program and modifications be made in the next reauthorization. We would support that proposal.

#### OPPOSE METRIC SIGNING

The kilometers we have covered discussing this issue would wrap around the equator many times. There just doesn't appear to be public support for the proposal. Most of the public has probably never heard of the "value added" concept but intuitively they just don't see the urgency or need. Moving forward at this time, without the public support behind us, is not recommended.

Related to the metric signing issue is the activity underway to restructure engineering design and planning functions in the metric system. (Another unfunded mandate). In California, we swallowed hard after exhausting ourselves arguing about the very high cost and very little value added to the transportation program, and are moving ahead. We understand that some States are having problems getting underway with the conversion. Since each State is unique in this regard and their activity not impinging on other States' effectiveness we would not oppose latitude being given to those States needing time to solve their unique situations as long as we all end up with the same final product.

#### BORDER CROSSING ISSUE/TRUCK SIZE/WEIGHT/NAFTA-MAJOR EFFECT ON WESTERN STATES

Since Mexico's entrance into the General Agreement on Tariffs and Trade (GATT) in 1986, the flow of traffic through the existing border crossing facilities of many Western States has showed dramatic yearly increases. The additional trade resulting from the North American Free Trade Agreement is expected to exacerbate al-

ready critical needs at several key transportation points. Since 1992, studies of the border have been given increased emphasis by Federal, State, local and regional governments. As an example, the September 1993 report titled "Transportation Issues Along the California/Mexico International Border" presents the following key findings:

- \$537 million in short-term needs are funded (\$335 million of this amount are private funds for a specific toll road project).
- \$97.5 million in short-term needs are not funded.
- \$381 million in mid-term needs (2000 to 2005) are not funded.
- \$582 million in long-term needs (beyond 2005) are not funded.
- Only 16 percent of the present commercial traffic has an origin or destination in San Diego or Imperial Counties (Mexico border is their southern boundary).
- 25 percent of the present commercial traffic has an origin or destination outside of California.

This report concluded that there is a substantial short-fall in available funding and that the financial resources required to solve the problem needs to include additional Federal funding. Trade through the border ports of entry flows throughout the National Highway System and benefits the economy of our entire country.

On January 11, 1994, the U.S. DOT submitted a report to Congress titled "Assessment of Border Crossings and Transportation Corridors for North American Trade". The report concluded that:

- In general, the physical facilities at U.S. ports of entry (POE) are either adequate or the Federal Government has programmed funds for adequate improvements.
- In general, the State/local arterials leading to and from the POE are under stress.
- The growth in commercial trade at the California/Mexico border will increase by 208 percent by the year 2000—the largest estimated increase of any U. S. border sector.
- A separate funding source for border transportation infrastructure improvements is not needed since the administration's recommended 100 percent funding of ISTEA for the 1995 Fiscal Year would be available. (Emphasis added).

California parts company on the last recommendation. It would be interesting to count the number of times that the "full funding of ISTEA" has been spent. Full funding of any authorization has only occurred three times in the last 13 years in California.

Let me summarize the needs we have identified along just the California border and offer a modest solution:

Capital expenditures are needed to improve California's border infrastructure. This includes the construction of State commercial vehicle inspection facilities. Commercial vehicle operational, maintenance and other, safety-related inspection activities fall within the State's responsibility and are not now accomplished within the Federal international border inspection facilities (ports of entry). The nearest State commercial inspection facilities are 60 miles from the Mexican border. To adequately inspect the surge of truck traffic along the California/Mexico border, two new commercial vehicle inspection facilities need to be constructed. In addition, California's highways serving the border crossings are inadequate to optimize the benefits of the NAFTA. As an example, the current State highway routing serving Otay Mesa is ill-prepared, inefficient and unsafe to handle the expected traffic increases and no State or Federal funds are programmed to address the problem. The State highway system is either nonexistent or has design and structural deficiencies that make it incapable of handling the expected volumes of heavy truck traffic. To address these shortages at this one crossing is estimated to cost \$25.2 million. A similar condition exists at the Calexico East border crossings and I'm sure similar conditions exist in the other border States.

All the issues along the international border are not directly related to dollars.

There are several intergovernmental coordination activities underway that we feel directly affect the States.

The NAFTA requires the creation of a "Land Transportation Standards Subcommittee" (LTSS) responsible for reconciling U.S./Mexico standards and related measures concerning commercial vehicles and operators. Among the issues to be dealt with by the committee are the following: Medical and nonmedical motor carrier standards; vehicle weight standards; and parts, accessories, maintenance, emissions and safety compliance. In addition to the LTSS, the NAFTA also calls for the

creation of an Automotive Standards Council which will address, among other things, emissions from on and off the road sources.

According to earlier representations by the U.S. Department of Transportation, border State transportation agencies will not be invited to actively participate as members of the LTSS. Border States need to participate at least at the technical negotiations level to provide the NAFTA parties with up-to-date information on State requirements. Let me point out that this is not just a border States issue because after December 17, 1995 commercial vehicles from Mexico will have unhindered access to the entire U.S. road system.

Senator, we would urge you to exert your influence with the Administration to have them include State representation on the Land Transportation Standards Subcommittee.

Another activity which will require congressional intervention has to do with improving efficiency of Federal ports of entry. Processing delays at the ports of entry are increasingly becoming longer due to an increase in commercial traffic, staffing shortages, absence of coordination among Federal agencies, and a lack of modern facilities. At the California/Mexico ports of entry, commercial traffic has increased from 400,000 in 1983 to 800,000 in 1991 and is expected to increase to between 1.6 and 2 million by the year 2000.

We would recommend that Congress review current staffing and coordination among the INS, Customs, Agricultural agencies, and increase staffing, hours of operation and coordination to reduce delay during peak hour periods. Also we would like Congress to legislate to allow GSA, INS and Customs to design and test the concept of a joint port of entry operation with the State of California. Congress should direct GSA, together with Customs, INS, DEA, Border Patrol, USDA, and U.S. border States to design a model state-of-the-art port of entry, including new technologies such as weigh-in-motion, automatic vehicle identification equipment, international data system, data links between bonded warehouses, improved x-ray and contraband detection systems.

Unfortunately this concept of a joint port of entry and other infrastructure needs are unfunded. The Federal Highway Administration is currently attempting to test the bounds of existing law in the area of "Innovative Financing". We have provided them projects for consideration. As an example it is proposed that the vast majority (75 percent or more) of the capital costs for land and improvements including all inspection facilities be provided by the private sector. The Federal and State government would provide the balance as credit enhancement and perhaps in the form of deeply subordinated equity or debt, guarantees, letters of credit or other contingent credit. The private sector would pay commercial rates for the credit enhancements. The capital investment would be retired through the collection of fees for service which, because of the inspection facility's monopolistic advantage, would be controlled by the State. Rate of return negotiations, traffic volumes, operating costs and the cost of capital would dictate fee levels. All vehicles would pay fees but not all vehicles would be inspected.

Should current law not provide the latitude for this proposal, we would suggest that as one means of testing this proposal that Congress could authorize a pilot program of privately financed, constructed and operated ports of entry to test the validity of this concept of public/private partnerships in the development of border infrastructure in various States.

Mr. Chairman, that concludes my remarks. Thank you again for the opportunity to discuss ISTEA at its mid-point and other future issues. I'd be pleased to answer any questions.

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#### STATEMENT OF DAN ALSAKER, ON BEHALF OF NATSO

Good morning, Mr. Chairman. I am delighted to be here today both as a small businessman who depends upon the safe and efficient transportation of commerce and as a spokesman for NATSO, the national association which represents America's travel plazas and truck stops.

Our association, NATSO, represents over 1,000 truck stops and travel plazas nationwide. Our \$28 billion industry employs approximately a quarter of a million people and NATSO members pump about 75 percent of the diesel fuel sold at the retail level in this country.

Like many NATSO members, my company began as a family business; started in 1963 when my dad opened Broadway Truck Service in Spokane, Washington. From those humble beginnings, we have expanded to a total of five full service truck stops



in the State of Washington and one full service truck stop and two convenience stores in the State of Montana.

We have heard a great deal today of the importance of the National Highway System from the perspective of government officials and transportation professionals. I am honored to be able to appear before you to tell you that creation of the NHS is vitally important for the private sector.

Establishment of a strong NHS is particularly important to those of us who make a living by providing goods and services to the highway user. Our industry plays a vital role in the transportation industry. Whether it be the commercial driver looking for a clean place to rest, refuel, relax and take a shower; or the highway vacationer looking for a good meal, we are there on a 24-hour basis. Given the size of our operations, it is not unusual for a NATSO member to be one of the largest employers and property taxpayers in a local community. Collectively, those of us providing services to the highway user have become the central business area for many small communities located at interchanges along the Interstate system.

Mr. Chairman, as your Committee begins its deliberations on legislation to designate a National Highway System, you are embarking on a historic process that will direct transportation policy well into the 21st century. Establishing a National Highway System will play a large role in the effort to rebuild and reinvest in America. Without question, the action taken by this Committee in establishing the National Highway System will be just as important and vital to our Nation's economic growth and ability to compete in the world marketplace as the action Congress took 38 years ago when it established the Interstate system.

Supporters of the NHS often use statistics to illustrate its importance. The fact that the NHS only comprises four percent of our Nation's highways but will carry 40 percent of all highway traffic and 75 percent of all highway freight movements is compelling evidence of its importance.

I would like to cite another statistic which, from a small businessman's perspective, is equally important. Today, 70 percent of all businesses are located within five miles of an Interstate highway, a pretty impressive figure which illustrates the importance of the Interstate system.

However, when Congress adopts the National Highway System, 95 percent of all businesses will be located within five miles of an NHS highway. This will provide unforeseen benefits for businesses who will see transportation costs reduced as a result of much-needed highway improvements as they bring their goods to market. Additionally, it will provide greater opportunity for the thousands of small businesses, like mine, who cater to the highway user.

Take for example our full service truck stop in Kalispell. We are located near the intersection of Highway 2 and State Road 93, a significant distance from any Interstate. Obviously we depend upon the traffic using these two non-interstate routes and as you so well know, both of these highways are often heavily congested. By incorporating these two vitally important routes into the NHS, it is my hope that we would see these highways begin to reap the benefits of the NHS. Widening existing lanes, adding lanes, increasing capacity, reducing congestion and overall enhancing the safety of these highways—are all benefits which will help my customers, my business and those of my competitors. Make no mistake about it, a sound National Highway System will create jobs.

It is my belief that a strong NHS will allow for continued growth in the number of businesses which serve the highway user. This would be particularly true near noninterstate NHS highways, as primary and secondary roads receive needed improvements and upgrades.

Mr. Chairman, I fully realize the press of business that awaits you in Washington and the fact that Congress does not need to pass NHS legislation until the authorization for highway funding expires on September 30 of next year. I would respectfully urge you to work diligently in ensuring that an NHS bill, if not adopted this year, is one of the earliest priorities for the next Congress to address. Those of us in the private-sector need the assurance that highway funding will continue uninterrupted. Our crusade to rebuild America must not be slowed.

I want to mention one issue that is very close to the local communities we serve and our industry—that is to continue to prohibit commercialization on the rights-of-way of limited access highways. As you know, when Congress created the Interstate system in 1956, it prohibited rest areas from offering commercial services. The wisdom of this decision can be seen by driving along any of our interstates and seeing the development which has occurred at the interchanges. Rather than having one entity monopolize highway service at a rest area, the private sector has flourished at the interchange. In the State of Montana, for example, NATSO has counted approximately 376 businesses that have been created along the interchanges of Montana's Interstate system which offer food, fuel and lodging to highway motorists.

The only type limited access highways which have not seen extensive development along the interchanges have been turnpikes and toll roads, where commercialized rest areas are prohibited. In November of 1993, NATSO surveyed businesses catering to the highway user along the Ohio turnpike and Interstate 70 within the State of Ohio. The results, which are attached to my testimony, confirm the fact that commercial development of the rights-of-way has stifled private sector development.

Now, there are those who believe that rest areas should be commercialized and may seek to use the NHS bill as a vehicle to accomplish this objective. We would hope that you would reject those arguments if they are raised. Rest area commercialization would devastate the thousands of businesses who today are adequately serving the needs of the highway user and we strongly believe the 1956 language should not be weakened.

NATSO is strongly supporting language be incorporated into the NHS which would prohibit new commercial development along the rights-of-way of any limited access NHS highway. Since interstates are already covered by the 1956 prohibition, this provision would apply only to turnpikes and toll roads, which historically have been state-funded projects and therefore exempt from the Federal prohibition. The specific language NATSO is supporting is as follows:

"A State will not permit commercial establishments for servicing motor vehicle users to be constructed or located on the rights-of-way of a toll road, turnpike, or other limited access highway designated as part of the National Highway System. Nothing in this section shall require the discontinuance, obstruction, or removal of any establishment for serving motor vehicle users if such establishment was in existence before the effective date."

Despite the very narrow scope of this provision, it is one that is extremely important. For instance, several months ago, the Pennsylvania Turnpike Commission explored the feasibility of developing a large hotel complex on the right-of-way of the Pennsylvania Turnpike, just beyond the Breezewood exit. This plan, had it been successful, would have had a devastating impact on motel owners in Breezewood—a town known for its many motels that serve the highway motorist.

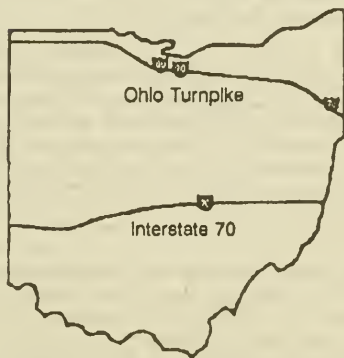
The arguments in favor of the NATSO proposal are sound. The original language prohibiting commercial development along the Interstate system has been good public policy that has resulted in numerous benefits. Now that Federal funds are being made available to turnpikes and toll roads, the Congress should insist that this policy and the resulting benefits be applied to all limited access highways. All we are suggesting is that all limited access highways designated in the NHS be held to the same standards—a standard which will allow for the continuation of private sector growth and development.

While it would be impractical to mandate the closing of existing commercial facilities on turnpike and toll road rights-of-way, we believe that if any additional services are needed for the highway user, those services should be provided by the private sector at an interchange. Additional state-controlled development along the rights-of-way of limited access highways would irrevocably harm existing businesses and continue to stifle economic growth at interchanges along those highways.

Lastly, it would be unfair for a State turnpike commission to receive Federal funds to maintain and improve a turnpike, yet use other funds and resources to commercially develop property on the rights-of-way of that turnpike which would dislocate existing businesses and workers.

Again, Mr. Chairman, I appreciate your willingness to hear my testimony. I would be happy to answer any questions you may have.

# SURVEY OF INTERSTATE BUSINESSES STATE OF OHIO



## OHIO TURNPIKE

## INTERSTATE 70

18	Commercialized Rest Areas	0
12	Other Food/Fuel Establishments	129
1,450	Estimated Employees	3,500
11	Variety of Restaurants	27
\$3.99	Cost of "Quarter Pounder Meal Deal" at McDonald's	\$3.05
9	Variety of Fueling Options	22
\$1.07	Lowest Price for Regular Fuel	\$.97
\$1.07	Average Price for Regular Fuel	\$1.03

*Survey conducted by NATSO, Inc. in November 1993. Employee figures along Interstate 70 based on random sampling of business operators. Employee figures of commercialized rest areas along Ohio Turnpike based on data supplied by Ohio Turnpike Commission. Food and fuel prices along Ohio Turnpike reflect those at the commercialized facilities. Price of McDonald's meal obtained in April 1994.*

## STATEMENT OF DWAYNE IRVIN, PRESIDENT, AMERICAN TRUCKING ASSOCIATIONS, INC.

## I. INTRODUCTION

*A. ATA Represents the Trucking Industry*

I am Dwayne Irvin, President of Dick Irvin, Inc., of Shelby, MT. My company owns and operates 105 trucks specializing in the transportation of bulk commodities/intermodal shipments all across the Western United States and Canada. I am the chairman of the board of the Montana Motor Carriers. And in today's hearings, I am proud to represent the Montana Motor Carriers Association and the American Trucking Associations (ATA), the national trade association of the trucking industry. The ATA federation includes over 4,100 carriers, affiliated associations in every State, and 11 conferences. Together, ATA represents every type and class of motor carrier in the country. Combined with ATA's direct membership, we are a federation of over 40,000 member trucking companies. In Montana, the association represents businesses whose survival depend upon a quality work place—the highway network. Fifty-nine percent of Montana's communities are served only by truck (Rand McNally, 1993).

Thank you for scheduling these hearings on the designation and adoption of the National Highway System (NHS). As you know, the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, and the 1992 presidential election, together stimulated a great deal of debate on our Nation's physical infrastructure, placing an especially strong emphasis on our transportation system. National policies were advocated to better maintain, restore, rebuild, and reinvest in all transportation facilities. This "rebuilding" of America is the first step in the Nation's goal to revitalize the economy. This is a jobs program with far-reaching strategic returns. As a major component of our infrastructure, highways account for the largest modal share of this investment—about \$1 trillion of our total investment of \$1.4 trillion. The NHS represents the most critical of these roads. The trucking industry has a direct stake in this national, strategic system of roads.

*B. The Trucking Industry Serves America*

Trucking is the Nation's largest freight transportation mode. The trucking industry employs 7.8 million people throughout the economy in jobs that relate to trucking activity more than the separate populations of 42 of our 50 States. We have gross freight revenues equal to over 5 percent of the Gross Domestic Product—a total of \$350 billion in 1993. Trucks haul over 77 percent of all manufactured goods and transport 43 percent of total tonnage shipped by all modes—2.9 billion tons of freight annually. In Montana and Wyoming, trucking employs 39,000 people, about one of every 10 workers—and has an annual payroll of \$1.01 billion.

Based on preliminary projections, we anticipate that by the year 2000, domestic freight tonnage will increase 30 percent. Between 1992 and 2000, the number of freight trucks (classes 6, 7 & 8) needed to haul it will climb 8.3 percent, to 3 million, and the miles these vehicles will be required to travel to deliver this freight will increase 31 percent. And all of this is if economic growth is at a conservative 2.8 percent per year.

Considering these figures, it becomes apparent that we need to insure that there is a highway system which will provide the capacity and connectivity to meet the increased demands safely and efficiently. Without investment in such a system, we will have our economic growth constrained and lose factories, jobs, and economic strength. In short, we need investment in a National Highway System.

*C. ATA Seeks a Complete and Unified System with the NHS as the Backbone*

The trucking industry seeks a unified, well-connected system which promotes and maximizes the efficient movement of goods and people. The authors of ISTEA recognized the importance of using all modes to achieve this efficiency, and rightly so. However, as acknowledged by the Federal Highway Administration in its report to Congress, the National Highway System will serve as the 159,000-mile backbone of a national intermodal transportation network. The NHS program addresses the problem of movement within cities—a fact reflected in that 25 percent of all NHS miles are within urban areas. Just as important, these areas must be linked together and bound to our rural and suburban areas by a system of modern, well-maintained roads, highways and bridges.

Presently, 60 percent of U.S. households are within 5 miles of an Interstate highway. However, 90 percent of all households will be that close to an NHS route. That will bring quality highway service to an additional 72 million Americans. Likewise, 95 percent of U.S. businesses will be within five miles of an NHS route, compared to 70 percent that are that close to an Interstate today.

The National Highway System is not a road building program—it emphasizes the maintenance, preservation and improvement of 159,000 miles of roads deemed the most critical to meeting America's future transportation needs. In fact, the NHS comprises only 4 percent of the country's 3.9 million miles of public roads. Of the 159,000 miles on the system, less than 2 percent will involve totally new routes.

## II. FULL FUNDING OF THE NHS

### A. Achieving the Goals of the NHS

According to the 1993 Conditions and Performance Report, prepared by the FHWA, the average annual cost to maintain existing highways through 2011 is estimated at \$46.4 billion. The cost to maintain overall bridge conditions as they were reported on June 30, 1992 is estimated at \$5.2 billion annually through 2011.

The costs are staggering, and with existing resource constraints, policies and projects must be carefully selected so that they result in the greatest possible efficiency gains. In the creation of ISTEA, Congress anticipated this and created the framework for a National Highway System and specified its purpose. The NHS is precisely the type of strategic investment warranted in the current funding climate, which isn't likely to change. Though it consists of only 4 percent of the Nation's road miles, it will carry 40 percent of all highway traffic, and 75 percent of all highway freight movements. Even so, authorized levels for Title I have not been matched by recent appropriations:

### TITLE I SURFACE TRANSPORTATION

	Authorized	Appropriated
TOTAL		
1992 .....	\$18.6 billion	\$16.0 billion
1993 .....	\$20.5 billion	\$15.3 billion
1994 .....	\$20.4 billion	\$19.9 billion
MONTANA		
1992 .....	\$149.7 million	\$154.5 million
1993 .....	\$165.0 million	136.2 million
1994 .....	\$159.4 million	148.4 million
WYOMING		
1992 .....	\$104.3 million	\$107.2 million
1993 .....	114.2 million	94.2 million
1994 .....	112.7 million	105.0 million

These significant discrepancies between authorizations and appropriations have led to the underfunding of infrastructure projects and to the destructive competition for funds. This only serves to skew transportation priorities to the detriment of the Nation's road system.

### B. Meeting Needs

Although ISTEA was passed in a period of severe budget constraints and concerns about growth in the Federal budget deficit, the worthy goals of the National Highway System, and the ensuing benefits it will provide to our economy, can only be realized if appropriations match authorizations. In sum, the NHS represents not a yearly expenditure on highways—it represents an average \$6.5 billion/year smart strategic investment in the Nation's long-term strategy of sustained economic growth.

## III. BENEFITS OF A NATIONAL HIGHWAY SYSTEM

### Providing Jobs and Economic Vitality

"The long term economic returns from a national system such as the NHS are very high, and probably not achievable through a series of localized investments." This statement comes from a study performed by Apogee Research, Inc., of Bethesda, titled, *The Economic Importance Of The National Highway System. With Case Study Examples.* This study does more than just list the benefits of the NHS. It gives us tangible evidence of the need for good highways by describing the operations and needs of five U.S. companies, all leaders in their fields, and together having locations in every State in the country. They represent every facet of the product chain, from manufacturer, distributor, to the retail outlet. And, they all employ the latest advances in transportation logistics, including "Just In Time" (JIT) manufac-

turing processes and "Rolling stock" inventory management. These techniques reduce company inventory costs and help improve the productivity of U.S. industry.

Although the products they manufacture and ship are quite different from one another, each company reports a common need and reliance upon an exceptional highway network. In fact, each company links its present and future success to the existence of such a system. We have provided a copy of the study to each member of the subcommittee, but let me summarize the findings by company.

Campbell Soup Company depends on a good network of arterial highways and interstates to achieve reliable JIT delivery of its food products and to support strategic alliances with its suppliers.

Hewlett Packard Company needs the flexibility provided by our highway system to move products reliably and efficiently.

The Limited efficiently stocks a nationwide network of 4,425 retail clothing stores in 48 States from a centralized distribution center in Columbus, OH, almost entirely by use of reliable long-distance trucking.

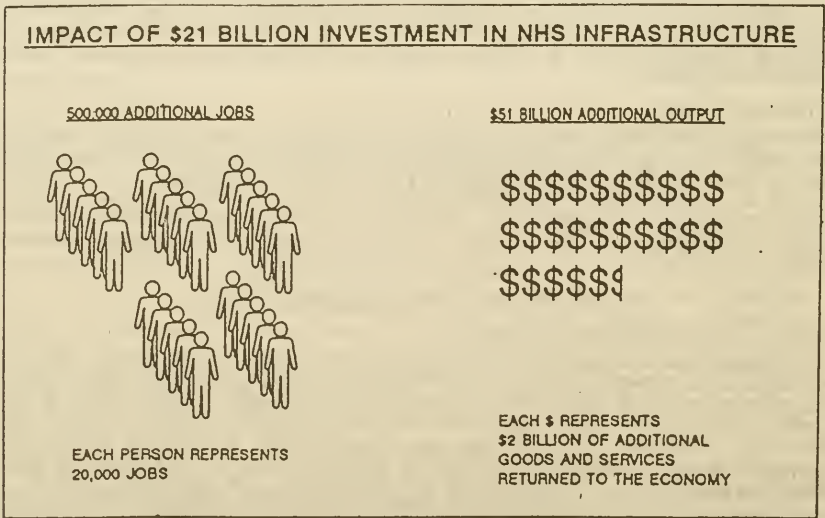
Saturn Corporation competes successfully against foreign manufacturers of small cars by employing JIT manufacturing processes made possible by an effective, nationwide highway system.

Xerox Corporation depends on an efficient highway system to reduce order cycle times and reduce inventory costs, which makes its products more competitive in all markets.

Together these companies, that depend on the presence of an exceptional highway system, employ 351,000 people and had 1993 combined earnings of \$45.3 billion. And these are only the indirect benefits of a National Highway System.

In Montana mine products are primarily shipped by rail, as they are in Wyoming, the Nation's largest producer of coal. However, 100 percent of the material and supplies, including fuel, used in the mining process, are delivered by trucks.

Every additional \$1 billion invested in our Nation's highway infrastructure generates an estimated additional output of goods and services of about \$2.43 billion. Of this, \$ 1 billion is the value of the actual highway construction, but the rest, \$1.43 billion, is the value of the output of goods and services required to support the investment in infrastructure. For every \$1 billion invested in highways, we create 24,300 additional jobs. Some of these people are directly employed in the construction of the infrastructure, about 10,640 persons. On average, however, for every 100 workers employed in infrastructure improvement, about 128 jobs are created elsewhere in the economy. (Highway Construction: Its Impact on the Economy: Congressional Research Service, The Library of Congress, A93-21E, January 6, 1993.) Expanding this relationship to our total Federal investment in the NHS from 1995 to 1997 at authorized levels for the NHS and Interstate maintenance translates into close to 500,000 jobs. (See table below)



In Montana alone, the NHS, at current funding levels, brings \$80 million in annual Federal-Aid Highway Program funding (\$36.7 million for NHS plus \$43.3 million, interstate maintenance). By applying the ratio from the above study, this investment returns an estimated additional output of goods and services valued at \$194 million and adds and additional 4,700 jobs to Montana's economy.

Smart investment in our Nation's transportation infrastructure not only serves the domestic interests of America—it provides a broad range of economic productivity and growth benefits on an international scale as well.

#### *B. Promoting International Competitiveness*

The National Highway System responds to the reality that American economic growth increasingly depends on how well we fare against our competitors in the world economy.

An efficient and well-connected interstate system is essential to survive and prosper in our 21st-century, fast-paced, global economy. A transportation system must allow flexibility. The NHS will. Fast and efficient movement of freight is now critical to the success of "Just in Time" manufacturing processes and rolling stock programs mentioned above. The NHS will reduce U.S. transportation logistics costs, making American goods more competitive at home and abroad.

The NHS will provide for reliable transport of goods and people among all points from the supplier to the final market. Furthermore, these "final markets are increasingly being found in another country. This is particularly true for States with international borders. In Montana, under the Eisenhower Interstate System, just one route (I-15) serviced the States international commercial and personal travel requirements. The National Highway System program recognizes the relationship between an efficient international system and a successful economy. It expands the Federal-aid focus to a total of four US/Canada border crossings, which will improve service between us and our largest these trading partner. The reliability of a transportation system, one which addresses current and future needs, is a key performance factor in a firm's decision to site a major new facility, or a large job provider's decision to leave.

The focused investment in a National Highway System, just 4 percent of all the roads in the country, in sum, will help secure and protect America's place in the global economy.

#### *C. Promoting Increased Highway Safety*

The value of a transportation system of any kind is severely reduced if it cannot be used safely. It must be designed not only with efficiency in mind, but with operational safety designed into it as well.

Increased safety is an important factor in the designation of the NHS. National Highway System routes will have high quality design features to provide maximum safety, thereby reducing accidents. In 1992 alone, there were 39,325 highway fatalities, representing a \$27.5 billion economic loss, not including injuries and property damage.

While only 11 percent of these fatalities involved a truck, the new National Highway System will help us to meet our national goal of reducing the overall highway fatality rate by 7 percent annually by:

Relieving congestion at bottlenecks—increasing capacity at these hazardous points reduces congestion, which reduces accidents.

Controlled Access Intersections—these help to facilitate traffic flow and mitigate congestion, minimizing accident exposure.

Because of the huge unmet needs on the NHS, ATA is actively working at the State and local level to insure that NHS funds are being used to meet critical highway needs and not being diverted to other types of projects.

#### *D. Promoting Technology and Improving the Environment*

The National Highway System will help advance U.S. transportation technology and expertise, making our transportation system not only more efficient and competitive internationally, but further reducing its impact on the environment.

The Federal government now spends more than \$145 million annually developing Intelligent Vehicle and Highway System (IVHS) technologies that will move people and goods more safely and efficiently. Many of these new technologies are built right into the existing highway. In urban areas where these new practices will improve traffic flow, tailpipe emissions of carbon dioxide and hydrocarbons can be reduced by as much as 30 percent compared to stop-and-go congestion, thereby helping to clear the air. The relatively small but significant NHS is the perfect proving ground for IVHS technology.

This also supports one of Secretary Peña's seven strategic goals for USDOT: "To create a new affiance between the Nation's transportation and technology industries, to make them both more efficient and internationally competitive."

We all want to balance what is good for our economy and communities with what preserves and enhances our environment. ISTEA is the first such transportation program to tie together these two ideals, and realizes that they need not compete, but actually can and should compliment each other.

#### *E. Tying America Together*

The NHS will provide access for more Americans in more communities to the expanding economic opportunities available from our global economy. It will connect important urban centers not currently served by an Interstate highway—like the communities of Lewistown and Kalispell, Montana, and in the State of Wyoming, Cody and Jackson.

With safety upgrades, technology improvements, and enhanced design features, NHS routes will make it easier for people to get to and from work, the doctor's office, and the grocery store. It will help move food and raw materials from rural America to the cities and ports. It will help to sustain a valued way of life for millions of Americans, especially those in States which have relied traditionally on highway transportation and whose populations are too small and development too spread out to support other modes.

The NHS will also include routes serving national parks and other major travel destinations, such as Montana's numerous ski resorts, Yellowstone and Glacier National Parks, and the headwaters of the Missouri River. In sum, American and foreign tourists, with the NHS, can expect to enjoy traffic flow and safety improvements on the highways they use to see the country.

### IV. CONCLUSION

#### *A. Act Quickly*

On December 9, 1993, the United States Department of Transportation transmitted to Congress a 159,000 mile proposed National Highway System identifying 104 port facilities, 143 airports, 191 rail-truck terminals, 321 Amtrak stations and 319 transit terminals. ISTEA requires that the NHS and Interstate Maintenance funds not be released to the States if the system is not approved by Congress by September 30, 1995.

We urge Congress to quickly approve the NHS this year and remove the uncertainty associated with the timing of the National Highway System. The sooner the NHS is approved, the sooner we can target Federal funds to the roads that are necessary for jobs, economic growth, mobility, and safety.

#### *B. Remain Focused*

One good way to promote quick passage of the NHS is to remain focused on the need for a National Highway System and not allow side issues to detract from that goal.

We urge Congress to avoid policy changes such as expanding eligibility for NHS funding, mandating the sub allocation of large portions of NHS dollars to local jurisdictions, or on a population basis, and restricting a State's right to regulate the size and weight of trucks moving freight on a system of roads about which they, not the Federal government, know best.

Expanding eligibility, to privately owned facilities for example, will delay an already complex process by introducing yet another procedural hurdle into the planning process. The result would be that even more time and money would be spent designing strategy while acute physical infrastructure needs remain unaddressed.

Sub-allocating funds to urbanized areas jeopardizes the entire concept of "national" regarding the National Highway System. Improvements to the system should not stop at the city boundary, where the funding will run out if the above changes are enacted. Thus, given the significant unmet needs of the NHS and requirements to look to the weak links of the NHS on a system-wide basis, we should keep the statute the way that it is.

Restricting size and weight limits arbitrarily is illogical. There has been no study demonstrating that the trucks which would be disallowed are unsafe. Such a law would perpetuate competitive disadvantages. The cost of transportation is reduced by using vehicles that operate safely and carry more. An arbitrary freeze on truck size and weight would leave the U.S. at a permanent disadvantage to Mexico and Canada, where the weights are higher. It would also preclude State efforts to use a modest weight increase to encourage additional axles. Additional axles decrease wear and improve safety. It would particularly devastate Western States' economies, where these vehicles have operated safely and efficiently for decades.



Moreover, economic projections show that freight tonnage will increase 30 percent by the year 2000. Additional trucks will be on the road—the economy demands it. But even more could and will be needed if suddenly, you require five trucks to haul what was previously safely carried by four. Restrictions such as those above run completely counter to the ambitions of ISTEA.

The NHS is about promoting efficiency and economic growth. It is about increasing safety and reducing congestion. It is about opportunity. A unadulterated NHS bill enhances the likelihood that the intent will become reality.

### *C. Failure to Adopt The NHS—America's Economic Future*

The Eisenhower Interstate System gave us a highway system better than any in the world. It was greatly responsible for the advantage we had over our competitors in the global marketplace. The NHS, the backbone of America's transportation system, is must-pass legislation needed now if we expect to preserve the economic leadership we have enjoyed for the last forty years.

Without a National Highway System, economic growth will be limited and jobs lost.

Jobs will also flow from the middle of the country to the periphery, such as around our ports. Without a seamless, well-connected highway system, it will be too expensive to locate factories in rural areas and so the 72 million Americans living in rural areas will have reduced job opportunities.

We won't capture the savings from safety improvements, and will lose thousands of lives unnecessarily, and the billions of dollars in future productivity and property losses that go with those lives.

In sum, NHS is not about trucking. It is about our communities and the Nation. It is about mobility. It is about moving goods and people in the most efficient manner possible. It is about investing scarce resources wisely, strategically, and for the future. It is about making jobs. It is about whether we want economic growth or not. In short, the NHS is the highway system which will take America into the 21st century.

Thank you for the opportunity to testify.

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### STATEMENT OF HON. FEDERICO PEÑA, SECRETARY OF TRANSPORTATION

I'm delighted to again testify in Montana, especially with such a distinguished group of Western officials. Also, I am pleased that we are focusing on the National Highway System (NHS) which I consider one of the most significant transportation developments in this century. I commend Senator Baucus for holding this hearing and for including witnesses representing many diverse interests in the NHS.

I am accompanied today by Federal Highway Administrator Rodney E. Slater. Later Mr. Slater will illustrate the NHS components for you, using a unique new computer system, the Geographic Information System (GIS).

The NHS is a crucial element in the Nation's infrastructure. Today, I want to talk about our transportation infrastructure, the U.S. economy and the positive benefits from investing strategically in infrastructure—and I want to make two points.

First and foremost, the Clinton Administration is committed to investing in infrastructure, and the National Highway System we proposed last December is the largest component of our transportation infrastructure. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers.

Secondly, I want to talk about the critical role of both the National Highway System and the National Transportation System initiative which we recently undertook as they relate to our transportation future. Simply put, we cannot have a strong National Transportation System without first laying its foundation—the National Highway System. The NHS may be even more vital to those of us here who hail from the wide open spaces of the West than elsewhere.

### THE CLINTON ADMINISTRATION'S COMMITMENT TO TRANSPORTATION INFRASTRUCTURE

President Clinton views investment in transportation infrastructure as a central element of his strategy for long-term economic growth and increased American competitiveness in world markets.

Clearly, the state of our infrastructure has an impact on our whole economy—and American competitiveness in world markets—by enabling cheap, efficient movement of people and goods. It is also an important generator of jobs.

In fact, DOT's 1995 budget contains the largest transportation infrastructure investment in our Nation's history—over \$28 billion—in a year when the budgets of

many other departments were sharply cut. And it includes full funding of the "core," capital projects under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs.

In addition to rising Federal investment, we are also seeking ways to involve the private sector in innovative financing.

Senator Baucus and I both believe that in order to begin to address the conflicting pressures to reduce public spending and improve our transportation infrastructure we must attract additional capital from the public and private sector. Senator Baucus' bill addresses this need by allowing the States the flexibility to use a portion of their Federal-Aid Highway Program funds to create a State transportation revolving fund which could be used to make direct loans, refinance debt, purchase bond insurance, provide loan guarantees, and as a source of security to issue bonds to provide additional capital. I commend Senator Baucus for his leadership in the innovative financing area.

The Department and the Federal Highway Administration are looking at ways to provide innovation in financing to attract private capital and increase investment in transportation infrastructure. We want to work with Senator Baucus and the Senate Environment and Public Works Committee to bring to fruition innovative financing tools that the States could have the flexibility to employ to increase transportation investment.

#### NHS, THE NTS, AND THE ECONOMY

The National Highway System is above all else a guide to wise "strategic investment" with links to major airports, seaports, rail stations, transit systems, intermodal terminals and maritime facilities. By providing these connections, the National Highway System will greatly increase the efficiency of our whole transportation network. This makes each mode, including highways themselves, that much stronger.

The NHS, as it is currently proposed, contains just 4 percent of America's 4 million miles of public roads. But it carries over 40 percent of the Nation's highway traffic, 70 percent of the truck freight traffic, and 80 percent of the tourist traffic.

Once adopted by Congress, the NHS would allow every level of government to better target its transportation investments in coming years. Much ISTEA funding, as much as \$21 billion, will be directed towards the NHS and State governments will have strong incentives to match or surpass those efforts.

The NHS will increase economic opportunities to communities not served directly by the Interstate System. And it will link up with roads in Canada and Mexico, uniting the North American Free Trade Zone with a high performance continental road network. I want to commend Senator Baucus for his work on international trade activities. As Chairman of the Senate Finance Committee's Subcommittee on International Trade, he is well aware of the trade implications of the North American Free Trade Agreement (NAFTA).

In April, I convened a North American Transportation Summit in Washington with the ministers of transportation of Canada and Mexico. I wanted to ensure that as NAFTA spurs trade among the three countries, our transportation systems will be able to support that trade in a safe, efficient, and equitable manner.

The NHS will make these connections between our neighbors to the North and South much easier.

In the long term, the National Highway System will also form the backbone of the National Transportation System—enhancing all other modes of transportation by serving as the glue that binds all of them together. We need such a seamless intermodal transportation system to meet the challenges of competing in the 21st century global economy.

#### WHERE DO WE GO FROM HERE

The next step for the National Highway System is to win congressional approval. The House on May 25 passed H.R. 4385, a bill which approves the NHS and provides for the establishment of a NTS. We look forward to working with Chairman Baucus to do everything we can to reach agreement this year on a bill to approve a National Highway System.

We are glad the House acted quickly to approve the NHS we submitted but we do have some concerns about the bill as passed. Our major concerns are that the bill contains a number of demonstration projects. Specifically, the bill—as passed by the House—could divert scarce budget resources from programs department-wide in

order to fund projects that have not been evaluated through normal State processes. Also, we are concerned that the bill requires any future modification to the NHS to be approved by Congress. We believe that the Department should be allowed to approve modifications at the request of a State after a cooperative effort with local officials.

I would like to see early enactment of the NHS bill so we can move forward with developing a National Transportation System.

Under ISTEA, Congress has until September 30, 1995, to approve the legislation designating the National Highway System. If Congress misses that deadline we cannot apportion NHS funds—\$3.6 billion—to the States for Fiscal Year 1996. We also will not be able to apportion Interstate Maintenance Program funds—\$2.9 billion. Everyone has a vital stake in seeing that the NHS legislation is enacted on time.

The House has resolved two contentious issues in a manner that I think upholds important safety and environmental objectives set by Congress in past highway legislation—I urge the Senate to adopt them. First, the House bill proposes to change the way in which recycled rubber is used in transportation projects by allowing States significantly more flexibility in determining this use, while also challenging States to use crumb rubber technology to increase their tire abatement efforts. We support this flexibility to advance recycling and paving technology. Second, the House Public Works Committee rejected an amendment that would remove the penalties in ISTEA against States that fail to enact and enforce motorcycle helmet and safety belt use laws. These mandates save lives and millions of dollars in annual health care costs, and they are reasonable conditions for the use of public roads.

We face two challenges:

First, we must redouble our efforts to get the National Highway System enacted this year so we can get on with the business of creating a more efficient and competitive transportation system and building for our future. Our mobility and our economy cannot afford to wait another year to begin building our future.

Second, we must have the support of everyone in this room in drafting a proposal for a National Transportation System. We have no preconceived notions.

We hope to have received all public comment by the end of 1994. We conducted an ISTEA outreach in this region last December with over 200 participants from six States. Participants supported full funding of ISTEA and the President has made that a budget priority. Also, they expressed a need for more local input into the State planning process and I believe progress is being made in that area. DOT will continue to assist in this process. Western participants called for recognition of the distinct needs of rural and urbanized areas. As a former Western Mayor I am well aware of those differing needs. I pledge to balance those interests and needs.

Another concern that we found in our Western outreach was the special needs of the Native American tribes and their reservations. The Clinton Administration is vigorously pursuing a number of Indian initiatives. The House NHS bill included a floor amendment which would establish a pilot program to permit Indian tribal governments to work directly with the Department of Transportation relative to the Indian reservation road program. The pilot would allow tribal governments to be treated in a similar manner as a State is treated in the administration of the Federal-Aid Highway Program. We intend to work with Senator Baucus in evaluating the House amendment as well as other programs which would benefit the needs of Native Americans.

The NHS is also a vital part of the overall road transportation system serving Federal lands. The Department of Transportation is working with Federal land managing agencies in the coordination of the NHS with Federally owned roads and various land use and resource management plans. I believe the NHS will be a boon to the West and all of the scenic Federal lands out here. I'm sure tourists will be aided by the improved access provided by the NHS. In many of the Western States the NHS is the backbone of the National Scenic Byways Program, that is, they are one and the same.

If we are successful in getting a National Highway System this year I promise you this: what the Interstate Highway System was for our predecessors, the National Highway System will be for us, providing the backbone of a comprehensive intermodal transportation system that will enable America's children and our grandchildren—and beyond—to enjoy the fruits of our vision.

I applaud Senator Baucus and his fellow committee members for holding this hearing in the heart of the West. Our problems and challenges in the West are unique. As I flew here today from the urbanized East and looked down at the vast, undeveloped areas below, it made me even more mindful of the distances that must be covered by any ground transportation system in order to link the populous East with the resources found here, resources that must travel East to meet many needs there. The East and West were first linked by the railroads and finally by the Inter-

state Highway System—but you know, and I know, that those two systems alone cannot serve all of the areas of the Western States, cannot link us with our new NAFTA trading partners to the North and the South and connect us to our international markets through our ports. The National Highway System is the next vital link in the evolving ground transportation system that this country needs. And with the establishment of this important linkage, the final stage, the National Transportation System, can become a reality.

Mr. Chairman, with your permission I would now like to ask Federal Highway Administrator Rodney Slater to illustrate the NHS for you with the Geographic Information System. Thank you.

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STATEMENT OF HON. RODNEY E. SLATER, FEDERAL HIGHWAY ADMINISTRATOR

I'm very pleased to be here today to discuss the National Highway System.

I want to thank Secretary Peña, whose comments serve as an introduction to the role of the National Highway System in the broader context of our future National Transportation System.

The National Highway System will be the backbone of our national transportation network in the 21st century—it is going to affect every American, directly or indirectly.

The proposed National Highway System consists of 159,000 miles of the most important roads in the United States. They are important because this small fraction of all our miles of public roads—this single highway system—serves the diverse needs of all highway users across the Nation, carrying over 40 percent of highway traffic, 80 percent of tourist traffic, and 70 percent of truck freight.

As these numbers reveal, investment in the NHS is strategic investment.

And strategic investment is what we need if we want to get the most out of our transportation dollar—and ensure that our transportation dollar makes the greatest impact on our economy.

As we proceed, I'll be using Geographic Information System (GIS) technology to present the proposed National Highway System and to show how the NHS responds to ISTEA's requirements.

The GIS, a computer system that integrates information based on location and provides for interactive graphics, is a breakthrough in data management technology that will play a significant role in future transportation planning. The GIS will become an even more powerful tool in coming years as we enter new data on traffic flows and interconnections between transportation modes.

We'll portray the proposed National Highway System at the national, State, and urbanized area levels.

We start with the State lines. Next we add the 399 urbanized areas, shown in yellow.

The first component of the proposed National Highway System, shown in blue, is the 45,000-mile Interstate System, which accounts for nearly 30 percent of the proposed system mileage.

The second component, shown in orange, includes 21 high-priority corridors as identified by the Congress in the ISTEA legislation. These corridors total 4,500 miles.

The third component, shown in green, is the noninterstate portion of the Strategic Highway Network (STRAHNET), identified by the Department of Defense in cooperation with the Department of Transportation. It totals about 15,700 miles.

Based on the most recent information, including plans for base closures, these corridors, and the Interstate System, have been identified by the Department of Defense as the most critical highway links in our transportation system.

As we found during Desert Storm, and learned 50 years ago today on D-day, highway mobility is essential to our national defense, enabling us to move troops and equipment to airports, ports, rail lines, and other domestic bases for rapid deployment. The changing nature of world affairs makes these systems very important.

The fourth component, shown in purple, is major Strategic Highway Network connectors. They consist of 1,900 miles of roads linking major military installations and other defense-related facilities to the STRAHNET corridors.

Collectively, these four components, all specifically required by ISTEA, account for 67,500 miles or roughly 43 percent of the proposed system.

The remainder of the proposed system (totalling 91,000 miles), shown in red, is made up of other important arterial highways that serve interstate and interregional travel and that provide connections to major ports, airports, public transportation facilities and other intermodal facilities.

The final features that will be added to our map are the intermodal facilities and military installations that will be served by the proposed National Highway System.

[DISPLAY OF NATIONAL MAP WITH SUBDUED LINES]

To highlight these facilities, we'll use subdued lines on the map.

As shown here, the National Highway System will serve major transportation facilities, including:

- 104 major ports,
- 143 major airports,
- 321 major Amtrak stations,
- 191 rail/truck terminals,
- 242 military and defense-related installations, and
- 319 urban areas with public transit systems.

[DISPLAY OF BORDER-TO-BORDER TRIP MAP]

In such a diverse Nation, finding NHS route selection criteria that fit all States wasn't easy. For example, the NHS must meet the needs of both densely populated urban areas as well as less populated States, such as the States represented here today.

Therefore, we worked closely with the State transportation departments and with local governments, particularly the metropolitan planning organizations. They, after all, know best how their roads function and how their roads fit into their overall transportation plans.

[DISPLAY OF FIVE-STATE MAP]

Nowhere was State participation more apparent and effective than in the five-State region of Montana, Idaho, Wyoming, North Dakota, and South Dakota. Dialogue between representatives of the FHWA and the five States actually began with the development of the illustrative NHS in 1990 and continued throughout the process of developing the proposed NHS.

Representatives from these States, led by Dick Howard from South Dakota, were extremely effective in making their case for the need to include additional miles on the proposed NHS.

The FHWA responded to their needs; the result was a significantly larger system than envisioned at the time the illustrative system was developed.

To illustrate this point, let me give you some numbers. The proposed NHS for the five States totals 14,425 miles—3,005 miles more than the illustrative system of 1990.

I've brought with me today a map developed by the five States last year. The overlay to the map shows where these 3,000 miles were added to the proposed NHS.

These additional miles represent the fruits of extensive collaboration between these States and the Federal Government. We worked with State and local governments across the Nation to develop an NHS that will best serve the many different needs of its users and benefit the Nation as a whole.

Now let's move to the State level.

At this point in my GIS presentation, I normally focus on Georgia and the city of Atlanta to dramatize that, as the host city for the 1996 Olympic games, Atlanta will be faced with great challenges to its transportation system.

The proposed National Highway System is a key element of the intermodal transportation system Atlanta has developed to address these challenges. But for our purposes today, I'd like to shift my focus.

Using Colorado as an example, we can look at the proposed system in greater detail.

We start with Colorado's urbanized areas, such as Denver, the capital, and Grand Junction in the West. We have also shown the Rocky Mountain National Park in green.

Using the same color scheme used at the national level, here is the NHS for Colorado.

Using flashing symbols, we can now show how the NHS fits into the broader context of Colorado's transportation needs—again confining ourselves to major transportation facilities, including:

- 4 major military installations,
- 2 major airports,
- 4 major highway/rail transfer facilities,
- 5 major Amtrak stations,

- 5 urbanized areas with transit service, and
- 4 urbanized areas with intercity bus service.

There you have the National Highway System for Colorado.

Now let's shift focus again—this time, to the urbanized area of Denver, a large urban area with a variety of transportation facilities.

First, we show Denver's highways.

Second, to illustrate the potential for integrating all modes, here you see the Denver area's principal rail lines.

And now we show the military installations, the new airport, and the intermodal terminals to complete the demonstration for the urbanized area of Denver.

I hope this has illustrated that the National Highway System, by itself, is important, but its value is enhanced because it provides vital links to the other modes of transportation. Allow me to give you a few details.

[DISPLAY OF NHS MAP OF THE WESTERN U.S.]

The arrows on this map of the western half of the United States represent the major international border crossings between the United States, Canada, and Mexico—each of which is accessible via the proposed National Highway System.

To the South, there are several major gateways for trade between the U.S. and Mexico; each major gateway consists of one or more border crossings.

These gateways are located in southern California; central Arizona; El Paso, Texas; and south Texas, including Laredo and Brownsville.

Of these gateways, the one through south Texas is by far the most significant commercial crossing—about 50 percent of the trade value between the U.S. and Mexico, \$34 billion in 1992, crosses in this area.

In the Northwest, the major crossings include the Peace Arch and Pacific Coast Highways in Blaine, WA; the Sweetgrass-Coutts crossing on the Montana-Alberta border; and the crossing at Pembina, ND.

The Washington crossing carries both long distance and cross-border traffic and trade from British Columbia into the Pacific Northwest, accounting for about 6 percent of northern border trade. At the Sweetgrass-Coutts crossing, cross-border traffic has grown about 10 percent per year for the past 5 years.

Greatly increased border activity under the North American Free Trade Agreement (NAFTA) will mean that linking ports and border crossings with the rest of the Nation assumes even greater importance.

The National Highway System, in focusing highway investment to ensure that goods and people move more freely, helps supply this vital link.

Thus, the NHS plays a key role in meeting the transportation goals of the NAFTA to facilitate border crossings, create new market opportunities for truck and bus companies, and improve the efficiency of the transport systems across North America.

[DISPLAY OF NHS MAP OF THE NATION]

To ensure the National Highway System provides this intermodal connectivity, we worked with our State and local partners, with the private sector, and with our colleagues in the Aviation, Transit, Railroad, and Maritime Administrations, as well as with the Department of Defense, in selecting the proposed connections.

Like so much that is important about ISTEA, the National Highway System is a flexible concept. Such flexibility is essential because each State and local government has its own unique transportation goals and pursues different ways of achieving them.

The NHS empowers these governments and their partners to invest their limited transportation resources to spur economic growth and productivity, increase system performance, and further improve our Nation's impressive transportation safety record.

[PHOTO OF 2-LANE NHS ROUTE IN OREGON]

After describing all that the NHS is, I'd like to tell you what it is not. The National Highway System will not be another Interstate System.

Beyond the Interstate portion, the National Highway System is mostly two-lane roads today—such as Oregon Route 35, pictured here.

In fact, virtually all of the National Highway System is existing mileage—less than 2 percent is new mileage and this 2 percent is already in State plans.

The NHS will evolve into an upgraded system of safe, well designed roads built to serve the requirements of those who travel on these routes.

*Closing*

We hope that this GIS presentation of the National Highway System demonstrated what a significant move the designation of the NHS will be and how it will serve and bind together virtually every area of the country and every facet of our National and International economy.

I am convinced that the time for intermodal solutions to transportation challenges is now, and that the NHS will play a crucial role in this process. So our work is not done. The National Highway System is a major priority of the Department and the number one priority of the Federal Highway Administration.

We will continue working with Congress and our State and local partners to do what it takes to mold the best of each transportation mode into a seamless intermodal transportation network.

I look forward to making the system you have seen here today a reality.

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STATEMENT OF DONALD D. DILLER, ON BEHALF OF THE WESTERN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Mr. Chairman, my name is Don Diller. I am the Director of the Wyoming Department of Transportation and currently serve as President of the Western Association of State Highway and Transportation Officials (WASHTO). WASHTO is pleased to have this opportunity to testify on National Highway System (NHS) designation and other issues related to implementation of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). WASHTO's 17-member departments<sup>1</sup> represent the West in all its vastness and variety. The economies, demographics and geographies of our States cover the full range of the spectrum. Yet, on the issues addressed in WASHTO's testimony today there is strong agreement. The basis for that agreement is simple, the importance of transportation in the West.

Our main point today is that WASHTO States strongly support prompt designation of the NHS. We applaud your interest in achieving designation of the NHS this year, Mr. Chairman, as you indicated in your statement introducing S. 1887. In addition, we also take this opportunity to offer our views on several issues related to ISTEA implementation and the Nation's transportation program.

- The need to fully fund ISTEA,
- The need for relief from Federal mandates and sanctions imposed on the Federal-aid programs in ISTEA, and
- The need to reduce the complexity and cost of program delivery under ISTEA.

THE NATIONAL HIGHWAY SYSTEM

One of the cornerstones of ISTEA is its promise of a National Highway System. Yet for that promise to be fulfilled, Congress must approve legislation designating the NHS. We urge Congress to do so promptly. The WASHTO member States universally recognize that establishing a National Highway System is of the highest priority, and has been for some time.

The same message, that Congress should move rapidly to enact the NHS, is heard over and over again. It was the message contained in a WASHTO resolution passed unanimously this spring; it is repeated in the joint statement on the NHS from ten WASHTO States and in a West Coast States' position paper on authorizing the NHS. It is also reflected in an American Association of State Highway and Transportation Officials (AASHTO) resolution. Prompt passage of NHS designation legislation will enable States to move ahead in their planning and programming decisions without the fear of having ISTEA funds withheld should Congress fail to adopt the NHS on schedule.

Prompt congressional designation of the NHS is a real possibility, Mr. Chairman, because of the work the States and the US Department of Transportation/Federal Highway Administration have done over the last 2-1/2 years in developing the list of NHS routes (the "map") which has been proposed by USDOT/FHWA to the Congress.

Simply, Mr. Chairman, Secretary Peña and Administrator Slater and their staffs have done a good job in route designation and presented a good product to the Congress. We commend the Secretary for his efforts and work. We don't believe we are

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<sup>1</sup> Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

alone in taking that view. We believe that States in other regions and those segments of the public which follow transportation issues also believe that the proposed map is a good one and any pending adjustments are resolvable.

So, with that history of agency and Starn work, it was perfectly logical for you, Mr. Chairman, to introduce an NHS designation bill, S. 1887, which is limited to approving the NHS routes proposed by USDOT/FHWA. We do not see that there should be any major issues for Congress to resolve in terms of the proposed routes. In short, there is a strong consensus on the importance of the NHS and the basic validity of the USDOT proposal, a base which we hope will enable Congress to proceed to enactment promptly.

Let me also touch briefly on three points related to the NHS on which there's broad consensus within the WASHTO States.

First, the establishment of new national design standards for the NHS is unwarranted. The application of a single standard across all NHS routes or the application of a design standard higher than warranted by the type of traffic using the route is not desirable. Design responsibility should be delegated to States and must be flexible enough to reflect the type of traffic using the route and the specific project needs. The States are in the best position to make those decisions while working cooperatively with the Federal Highway Administration.

Second, proposals which would sub-allocate NHS funds for use in metropolitan areas are contrary to the flexibility principles contained in ISTEA. The WASHTO States would recommend that Congress let the planning tools in ISTEA work. The provisions already in ISTEA provide for coordination with the MPOs and allow flexibility to achieve solutions which make sense for both metropolitan areas and larger regions. These provisions will ensure that NHS funds are invested to develop a National Highway System that serves the needs of not only urban areas, but those of States, regions and the entire Nation.

Third, other issues related to the NHS include route adjustments and identification of the components of a possible future National Transportation System (NTS). Decisions on these and other NHS related issues should be based on the results of the statewide intermodal transportation planning process currently underway in all WASHTO States.

Whether moving people or goods, the highways in the NHS proposal are the primary link for our people and commerce to connect with the people and economies of the world. Any future development of a national, intermodal and multimodal transportation system is dependent on the NHS. Simply put, the NHS is the foundation of a viable expanding economy and is a prerequisite for our region and Nation to be able to compete in the world's economy. The USDOT has fulfilled the congressional mandate to propose this system with a timely and carefully developed proposal. We commend the USDOT for the consensus building designation process it administered and, once again, urge the Congress to designate the NHS as soon as possible.

#### *Full Funding of ISTEA*

The Intermodal Surface Transportation Efficiency Act of 1991 significantly changed how States do business. The revitalized planning requirements, the development of management systems, the public input process, broadening the use of transportation funds, and the new "players" brought to the table by ISTEA have put an additional financial burden on States trying to preserve their transportation infrastructure. In order for our States to meet these increased demands of ISTEA and at the same time preserve our infrastructure, it is imperative that ISTEA be fully funded.

We appreciate the ongoing efforts to increase appropriations for ISTEA. The needs are obviously there. Even if ISTEA is fully funded, it is not possible to undertake all the important transportation projects WASHTO States have identified as important to the preservation and improvement of the transportation system.

We feel it's clearly in the National interest to fully fund ISTEA. Full funding gives States the tools to address the transportation needs prioritized through the statewide intermodal planning process. So, we strongly urge Congress to distribute the maximum amount possible through ISTEA distribution formulas, and to constrain any tendency toward demonstration projects which undercuts funding of the formulas. Progress toward local, regional and national transportation goals is best achieved when the act is fully funded and line item authorizations are avoided.

Relief from Federal Mandates and Sanctions Many of the mandates contained in ISTEA, especially those tied to significant funding sanctions, are problematic for the States from both a program delivery and philosophical point of view. Philosophically, we believe the program should more fully respect the role of States in the Federal program, allowing States more freedom to determine whether to impose various



safety, environmental, planning and other requirements tied to activities within their borders.

For example, two specific ISTEA mandates, both with sanctions attached to them, have created considerable consternation in many WASHTO States and serve to illustrate this issue from a program delivery perspective.

First, section 1038(d) of ISTEA requires States to use recycled or "crumb rubber" in asphalt pavement based on annual targeted percentages. Many States have individually and collectively raised substantial concerns with this provision, including the concern that the requirement will substantially increase the cost of asphalt projects and reduce our ability to provide services within a given budget. Also, for many States there remain technical, environmental and health questions associated with use of crumb rubber, and the significant concern that credit is not available to the States for other beneficial uses of scrap tires. While the WASHTO States feel the reduction in the number of scrap tires in landfills around the country is a laudable environmental goal, the approach taken toward achieving this goal by section 1038 poses significant problems for many of our States.

We note the House of Representatives has recently developed amendments to section 1038(d) which respond to these concerns, at least in part. These amendments, in H.R. 4385, would make the crumb rubber requirement temporary, not permanent, reduce the penalty for noncompliance, and facilitate credit for use of crumb rubber other than in pavement. The amendment is definitely a step in the right direction of allowing States to choose pavements based on engineering and cost considerations. However, most of our members would prefer further percentage reductions in the temporary requirement to use crumb rubber or repeal of the provision. Thus, particularly in the event legislation is not enacted this year repealing or significantly modifying section 1038(d), the moratorium on enforcement of present section 1038(d) should be continued.

A second troubling requirement imposed on States by ISTEA, which will take effect on October 1, 1994, is set forth in section 1031 of ISTEA. Under this mandate, States which do not pass State laws requiring use of both motorcycle helmets and seatbelts will have to divert highway construction funds into the Highway Safety 402 Program. In some States, this sanction would increase Highway Safety Program funding by over 300 percent. Approximately \$19.8 million will be diverted from highway construction to the 402 program in 1995 for the noncomplying WASHTO States. This amount will increase to \$39.6 million each year for 1996 and 1997. The limitations on the use of 402 funds will make many of the transferred funds ineffective. This provision is highly controversial not only in our region but nationally, where only half the States have been able to pass motorcycle helmet laws. We also question whether the diversion of funds away from the highway construction program will actually effect a change in motorcycle helmet use. Or, will this mandate simply further limit the ability of the States to deliver a transportation program?

From our perspective, we need less, rather than more, regulations; and to the extent possible we hope you will take that as guidance when technical and minor corrections to ISTEA are considered by the Senate.

#### *Complexity and Cost of Program Delivery*

ISTEA has been heralded as a transportation bill that allows the States a great deal of flexibility in using Federal funds. ISTEA provides for funding in many more categories, both in expanded scope of programs and in delivery to local levels of government. This flexibility is being defeated in the Federal regulatory process and by provisions in ISTEA that make program delivery awkward and time consuming at best. In some cases, project development costs may exceed actual project costs. Following are two brief descriptions of problems related to program delivery within the WASHTO region. Frankly, there are many more.

First, "Management Systems." The six management systems created by ISTEA require the States to spend extensive staff resources to develop management systems to comply with both ISTEA and the Federal regulations resulting from it. Most of the States feel the merits of several of the systems are questionable. Some are very difficult to administer. As an example, USDOT has decided the safety management system must apply to all public roads. State Governments are therefore required to develop systems concerning roads within their borders even when, within the State, control and jurisdiction of many of these roads are vested in governments other than the State Government. In Wyoming, for example, there are approximately 39,000 miles of public road, yet only 6,770 miles are under the jurisdiction of the State. The other 32,230 miles are the responsibility of some 120 local governments—cities and counties—and the Federal government. To develop a safety management system for all 39,000 miles, by reviewing accident history and road conditions and then

prioritizing needs; seeking local support and funding; and developing an improvement program, has become a nearly impossible task.

Historically, States identified and implemented those systems they deemed necessary. When implementing the new management systems, the USDOT should abstain from imposing a mandatory national standard and truly grant States the flexibility to meet their needs. This same precept should also be applied to the implementation of the statewide planning requirements. We don't feel this level of flexibility has been achieved in USDOT's present rules.

Second, "Transportation Enhancements." Needless to say, the Enhancement Program has been very popular with a larger cross section of the general population than the traditional transportation community. In some cases, local agencies have been effective in delivering funded projects. The Division Offices of FHWA have been working hard to minimize the regulatory and procedural burdens in the delivery of enhancement projects. However, in rural States with relatively limited resources, both for enhancements and traditional transportation projects, the amount of funds apportioned for enhancements is relatively small. Although local jurisdictions and others are very excited about receiving enhancement funds, they are quickly becoming disillusioned when they find out they must meet all Title 23 requirements and other Federal regulations in order to use even the smallest amount of enhancement funds. The Title 23 burdens placed on the smallest of contracts must be changed if we ever want to effectively deliver the benefits of enhancement projects to local jurisdictions and others.

Of course, we all want a quality transportation system. However, we question whether that end is served by the current level of program complexity and regulatory burden. It is often difficult to see the value added by many of the stringent requirements.

As a concluding comment on regulatory and program structure issues, let me note the leadership role both the American Association of State Highway and Transportation Officials (AASHTO) and its WASHTO member States have taken with the National Quality Initiative. At this time, the WASHTO States are moving to implement quality practices throughout their organizations. I mention this as it's troubling to see that the House NHS designation bill intends to regulate "quality" by mandating life-cycle costs and value engineering for all NHS projects. No one will argue that these are good tools, but they are only two of the tools managers may use in the decision making process and need not be mandated. While the WASHTO member States are already deeply committed to quality, we feel that mandating a certain engineering practice for all NHS projects regardless of size and type may again ultimately waste limited resources.

We ask the Congress and the USDOT to be mindful that complex structures and excessive regulatory burdens in the program can work against providing truly quality transportation services. Conclusion Mr. Chairman, this concludes my testimony. Thank you for the opportunity to provide WASHTO views on the importance of promptly designating the NHS as well as on other issues in the implementation of ISTEA. I would be glad to respond to any questions.

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STATEMENT OF MARVIN DYE, ON BEHALF OF THE STATE DEPARTMENTS OF TRANSPORTATION OF MONTANA, IDAHO, NORTH DAKOTA, SOUTH DAKOTA, AND WYOMING

Mr. Chairman: Good morning. I'm Marvin Dye, Director of the Montana Department of Transportation. With me this morning are Dwight Bower, Secretary of the Idaho Transportation Department, Richard Howard, Secretary of the South Dakota Department of Transportation and Marshall Moore, Commissioner of the North Dakota Department of Transportation. We are pleased to present joint testimony on behalf of the Montana, Idaho, South Dakota, North Dakota and Wyoming Departments of Transportation. In recognition of how important transportation, and specifically highway transportation, is to this region, representatives of our State Highway and Transportation Commissions have joined us today and are present in the audience.

At the outset, Mr. Chairman, we want to thank you for providing Montana and its neighbor States this opportunity to explain our views on the designation of the National Highway System and on issues concerning the implementation of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

We also want to thank you for your efforts to improve transportation in Montana and the region. You have worked long and hard, Mr. Chairman, to help others in Washington, DC understand that it is in the national interest for the Federal Government to ensure that there is an effective transportation system in this region of

the country. You fought hard and successfully to ensure that present laws treat this region fairly. We think it is typical of your persistent efforts to have invited Secretary Pea and Administrator Slater here to learn more about our concerns.

In that regard, we are very pleased today to be able to welcome Secretary Pea and Administrator Slater back to Montana. We deeply appreciate both the Secretary's and the Administrator's interest in transportation issues affecting the West.

In our statement today we'll focus on four areas. Let us summarize our views at the outset before addressing these issues in greater detail.

*First: The National Highway System Should be Designated Promptly.* In our view, the highest surface transportation priority for the Congress is designation of the National Highway System (NHS). As we will explain shortly, the NHS will serve important national interests—but it cannot do so until the NHS is approved by Congress. Delay in approving the NHS makes it more difficult for States to plan their transportation programs, including construction schedules for projects both on and off the NHS. If approval is delayed past September 30, 1995, significant highway funds will be withheld from the States, causing totally needless disruption of transportation programs and project delays which will adversely impact all the citizens of the country.

We have views on and interests in other pending transportation legislative issues, some of which would combine with legislation designating the NHS. However, if those other issues cannot be resolved promptly by Congress—and in a manner consistent with our views—we believe the public interest would be best served if Congress proceeded to enact simple legislation approving the NHS. Simply, we would prefer that Congress defer other issues for separate disposition, rather than hold back NHS approval due to inability to resolve other matters. It's not that other issues are unimportant, but that NHS approval is of such great importance. We feel your statement, Mr. Chairman, in introducing your NHS designation bill, S. 1887 is commendable, as it keeps the focus on the important issue of NHS approval.

We have some important points we will make below regarding the specifics of NHS legislation, but want to make clear at the outset that passage of legislation designating the NHS is our top legislative priority.

*Second: ISTEA Should be Fully Funded.* We strongly support full funding of ISTEA. Transportation needs for all modes far surpass available dollars. These needs and the high level of public benefit which comes from transportation investments requires us to try to invest as much as we can. Not only is full funding in the national interest but, due to particulars of the way the highway program is structured, less than full funding works a disproportionate financial hardship on States in our region of the country.

*Third: States are Overregulated.* We have long believed that the Federal Government should stop—if not reverse—the trend towards increased regulation of States through the highway program. Each year, more requirements are imposed on States through the highway program, with the-related threat of financial sanctions for non-compliance. This is inappropriate. Of particular concern to us today is the prospect that:

- planning requirements must be implemented within an unreasonably short time frame;
- clean air conformity reviews are being extended to areas where it is not productive to undertake such reviews; and that,
- the requirement for use of crumb rubber pavement is inappropriate, in part because it will be very costly.

We are also concerned that Federal red tape is making it needlessly hard to deliver projects and services, including rural transit services.

*Fourth: H.R. 4385.* As we all know, the House of Representatives has recently passed H.R. 4385, the proposed "National Highway System Designation Act of 1994." While we have not yet completed our review of that legislation, in the course of this testimony we will offer the Committee our early thoughts on some of the provisions of that bill.

Before turning to our more specific points, let us also make clear at the outset our overall feeling that ISTEA is a good beginning at a new direction. We supported its enactment. Now, having lived with it for nearly 3 years, we feel that some of its strengths include:

- its funding flexibility;
- that it allows States some flexibility in design standards; and
- perhaps most importantly, that its overall funding formulas give appropriate recognition to the national interest in providing an adequate transportation system across and within rural areas, including this region.

As a final preliminary comment, let us also say that we strongly support the testimony being presented today by Director Diller of the Wyoming DOT on behalf of the Western Association of State Highway and Transportation Officials. While our testimony may be more detailed, we are in agreement with all aspects of the WASHTO testimony.

I. CONGRESS SHOULD PROMPTLY APPROVE A NATIONAL HIGHWAY SYSTEM THROUGH APPROPRIATE LEGISLATION

We have already made it clear that congressional approval of the NHS is our top legislative priority. Let us explain why, and also offer some specific comments on the provisions of legislation approving the NHS.

Establishing an NHS of proper scope is a high priority for our Region. All regions of the country must have a transportation system which provides its citizens and businesses with good connections to all other regions of the Nation and then outward to the world. Highways are the key to the transportation system in our rural region because of the great distances between rail lines and the fact that we don't have deep draft ports or large hub airports. For us, it is the roads on the NHS which serve our international and interstate commerce and economic activity, support national defense, and enhance the quality of life.

So, with NHS routes being so important to our people and businesses, Mr. Chairman, a critical question is whether the system of routes proposed by USDOT/FHWA to Congress meets the needs of our region. If it did not, we could not support prompt designation. We would have to continue to work toward making sure the proposal was properly adjusted. We are pleased to report today that, due to careful work by Secretary Pea and Administrator Slater, the NHS route proposal submitted by USDOT to the Congress is by and large a good one.

This was far from a sure thing, however, when we met in Kalispell last spring, Mr. Chairman. The limited amount of NHS mileage originally allocated to our States by FHWA in its "Illustrative" system left vast areas of our region without NHS routes, without the potential of access to the world economy. The target mileage was too limited to provide sufficient mobility to all areas of our States or serve our economic needs and the national interest in our region. Throughout 1992 and 1993 our States, individually and collectively, provided detailed justification to FHWA in support of our NHS proposal. We will not present those justifications in detail again today, but note that our proposals reflected the national interest in:

- ensuring connectivity between urban and rural areas;
- ensuring that agricultural products and natural resources can move to market and ensuring the availability of corridors for trade and tourism; and
- providing access to Indian Reservations, national parks and other important areas.

Mr. Chairman, we deeply appreciate the opportunity you created for us last year, at the Committee's Kalispell hearing, to be able to present these arguments directly to Secretary Pea. And we thank the Secretary for having made the trip and for listening so closely to our presentations. Following up that hearing, in the second half of 1993 Secretary Peña, Administrator Slater and their staffs carefully considered the merits of the NHS route proposals we made and responded with significant, public interest adjustments to earlier versions of USDOT's NHS 1, map." As a result of that further work by USDOT/FHWA, we are able to advise you today that, while the NHS map submitted by USDOT may not be everything we asked for, it treats this region fairly. This is particularly the case given that USDOT was very firm in following an approach limiting the overall NHS to approximately 160,000 miles (rather than designating the maximum 178,250 miles allowed by ISTEA). Further, we expect that, to some extent, adjustments to the NHS will be possible in future years. So, routes left off of USDOT's pending submission to Congress, and which are not incorporated in Congress' initial approval of an NHS, could be added later.

*Other NHS Issues*

Let us also note our position on several other issues often raised in conjunction with the NHS.

Our five States support the American Association of State Highway and Transportation Officials (AASHTO) Resolution PR13-93, National Highway System Establishment, which addresses many of these issues.

Reflected in that resolution are several key points.

- States should have responsibility for NHS route and project selection; MPOs and others should be consulted and given a right to comment. However, they should not be given, as some suggest, project selection authority or a specific allocation of NHS funds.

- A State's flexibility in the use of NHS funds should not be restricted, as some have suggested, by requiring a maintenance set aside, by prohibiting the use of NHS funds for new roads or capacity, or by mandating a set aside for multimodal projects.

In general, we oppose these or other proposals to fragment or balkanize decision making authority under highway/transportation programs. These kind of local set asides can impede the ability of a State to address statewide concerns.

They also erroneously suggest that States are not sensitive to the needs or interests of jurisdictions within their boundaries, or that States do not take transportation planning seriously, or make good decisions. To the contrary, we believe that the very extensive planning requirements already included in ISTEA, combined with flexibility and other provisions, represent an appropriate legislative response to the kinds of concerns which we believe underlie such suggestions to modify ISTEA's NHS provision.

Thus, we are pleased that USDOT did not include provisions to change State authority in its NHS recommendations to Congress. We also commend the House of Representatives for having taken that same approach—preserving State authority on NHS matters—in H.R. 4385.

Let us also note with respect to NHS that we feel it would be acceptable for the final bill to include flexibility for administrative adjustments within the mileage limit allocated to a State. This would allow a State to make changes to reflect demographic and administrative changes.

## II. FUNDING ISSUES

### *Full Funding of ISTEA Should Be Pursued Aggressively*

We appreciate that this Administration and many members of Congress have made efforts to increase appropriations for surface transportation programs. We urge you, Mr. Chairman, and Secretary Peña, to continue those efforts. Simply, the needs are there. Even if ISTEA is fully funded, it's not possible to undertake all the important transportation projects we've identified in our region—even for the preservation of the transportation system, much less major additions. We're sure that's the case in other areas as well.

A transportation system which provides for connectivity to and within our region is not only vital to our economies, but is in the national interest. And, because our region is characterized by huge distances and few people, on a per' capita basis our citizens put forward a very high level of financial effort to maintain and improve our vast transportation systems. So, full funding of ISTEA helps make our economy work better and at a more reasonable per capita cost. Also, if ISTEA is not fully funded, which unfortunately appears to be the norm, it becomes even harder to keep up with our backlog of unmet needs.

### *Technical Aspects of Current Law Work Particular Hardship on our Region When ISTEA Is Not Fully Funded*

Full funding of ISTEA is also extremely important to us because, due to technical aspects of ISTEA, when the Act is not fully funded our States lose more in "highway" funds than the "average" State. Let us explain.

ISTEA funding provided through the highway apportionment formulas is subject to the "obligation ceiling." That means when apportioned funds exceed the ceiling, they are reduced, prorata, until the ceiling is reached. Our States receive nearly all of our ISTEA funding from apportioned, formula funds. However, there are other types of ISTEA funds. Many States get a much higher percentage of their highway funding from provisions of ISTEA other than apportionment formulas. Those other areas of the Act, such as specifically named projects and minimum allocations, are exempt from obligation ceilings. Our States receive relatively little funding from these categories of ISTEA and are therefore disproportionately hurt by anything less than full funding of the Act. In short, under present law, the pain of a funding shortage falls disproportionately on us.

In this regard, we are pleased to call to your attention, Mr. Chairman, that the Administration, in its Fiscal Year 1995 budget submission to Congress, proposed that section 310(d) of the Department of Transportation and Related Agencies Appropriations Act for Fiscal Year 1995 include minimum allocation and named project authorizations within the obligation ceiling. We commend the Administration for this sound proposal. We understand that the proponents of various funding categories prefer that they be exempt from obligation ceilings. However, we feel strongly that the basic highway formulas, which are subject to that ceiling, are at least as important and should not be subject to second class funding treatment due to the workings of those obscure financial provisions of ISTEA and appropriations acts.

### *Other Funding Issues*

Before moving on to regulatory issues, let us mention a few other points regarding funding.

Since long-term prospects for full funding of ISTEA on a regular basis seem uncertain at best, and since less than full funding delays or prevents many essential transportation projects from going forward, we want to raise a question today regarding the priority given by ISTEA to spending on transportation "enhancements." The question is: should enhancements remain a priority investment for the Nation, with a specific funding set aside, when there are so many unmet transportation needs? We suggest that Congress begin to consider whether, after the end of ISTEA authorizations (Fiscal Year 1997), spending for these projects should become elective rather than mandatory, especially when actual funding for ISTEA does not reach full authorization levels. As an alternative, perhaps the level of mandated expenditures on enhancements should be reduced.

Also on the question of funding, let us note one aspect of ISTEA's funding allocation scheme which we believe definitely should be changed. Under the Act, Federal Lands Highways funds are included in the list of funding types used to calculate a State's "Hold Harmless" adjustment. In effect, this provision reduces a State's Surface Transportation Program apportionment by the amount of discretionary Federal Lands Highways funding the State receives. We feel this provision is misguided because it treats Federal lands as if they are of concern only to a particular State, rather than to the Nation as a whole. An improvement to a road across Federal lands provides a national, not a local benefit, yet the Act's formula subtracts from a State's apportionment any funds received for a discretionary Federal Lands Highways project. Thus, to apply for funds to improve a road across Federal lands—and get the funds—means the State loses that much money for projects elsewhere. As a result, the provision discourages our States from nominating Federal Lands projects, including those of great interest to Federal land management agencies, because there is no net gain from having one's project selected. This provision is also inconsistent with another aspect of ISTEA in that Federal Lands funding is used in section 1015 to calculate a State's "Hold Harmless" adjustment, but not in section 1013 to determine a State's "Minimum Allocation." In short, probably everybody agrees the area where the Nation should focus Federal Lands Highways investments is the West, where there is high national interest in providing access to unique national parks, forests and other areas. Yet, this aspect of ISTEA's "Hold Harmless" provision discourages that very investment. It should be changed.

We also take this opportunity to note that, in general, we believe the apportionment formulas of ISTEA are fair, reasonable, and reflect the national interest. The Federal Government should ensure that the Federal highway/transportation program connects the Nation and allows people and goods to be brought to, from and through sparsely populated as well as metropolitan areas. The current formulas do achieve this basic goal, even though current funding levels still leave us unable to undertake all the projects that our States believe are truly important.

### III. THE TREND TOWARDS IMPOSING BURDENSOME PROGRAM REQUIREMENTS AND SANCTIONS FOR NONCOMPLIANCE SHOULD BE STOPPED AND REVERSED

For years now, highway program legislation has included provisions beyond those needed to make good transportation decisions and construct the projects selected. While we are not so naive as to believe there will ever be a highway or transit program without some such additional requirements, we believe the time has come to at least stop and, hopefully, reverse the trend towards loading more and more requirements—of greater and greater complexity—onto the program. Reversing this trend is especially needed since the additional financial burden of expanding rules and regulations remains in place even when ISTEA is not fully funded.

Our concerns are both philosophical and specific. Philosophically, we believe the Federal highway and transit statutes should more fully respect the role of the States in our Federal system, allowing States more freedom to determine whether to impose various safety, environmental, planning, and other requirements on activities within their borders. Obviously, it is a balancing act whether, with respect to any particular requirement, the specifics represent so clear and strong a national consensus that a Federal requirement is necessary.

However, we do want to say, clearly and loudly, that we think the system has reached overload and that the time has come to stop adding Federal requirements and, indeed, to start reducing them.

From that perspective, we offer one general and several specific suggestions.

Sunset Review of Requirements

We suggest that the Department undergo a searching review of requirements imposed on all FHWA and FTA funding recipients for the purpose of eliminating or reducing as many of them as possible. Some could be eliminated by regulation; legislation may be required for others. We are not here today with a long laundry list, but want to make clear our frustration. We are tired of hearing that more requirements will mean better decisions and better projects. We think this is true only up to a point—a point we've passed. We are now in an era where we are imposing more requirements and getting less product to the citizens, as more and more resources go into planning, regulation, analysis and other tasks. At least in our States this means delay, increased cost, and little benefit. Delivery of services needs more emphasis.

We know that President Clinton, during his long tenure as a Governor, was a champion of the ability of States to run programs well, with reduced direction from Washington. We suggest that USDOT take that view to heart by undertaking a general review of its rules and regulations governing surface transportation funding programs, and follow up with action to reduce the regulatory burden on States participating in those programs. Congress could pass legislation this year mandating such a review by DOT, enabling the results to be available before ISTEA is reauthorized.

### *ISTEA Planning Requirements and Management Systems Need Reform*

ISTEA requires each State to develop and implement a statewide transportation planning process and management systems for pavement, bridges, highway safety, traffic congestion, public transportation, intermodal facilities, and traffic monitoring. The planning process and management systems are intended to ensure more informed and improved transportation decisions. Some of the major problems associated with the implementation of ISTEA are not with intent and direction of the legislation, but with the prescribed requirements and deadlines that we face at the State and local level.

Adapting to the changes brought forth by ISTEA will take time. It took USDOT almost 2 years to develop the rules and regulations for the planning requirements and a full 2 years to issue interim final rules and regulations for the management systems. This leaves approximately a year for a State DOT to complete its State transportation plan and substantially develop its management systems. When compared to the time it took USDOT to develop the rules and regulations, the time frames allowed for fulfilling these requirements are unrealistic.

Complying with the planning requirements, and developing and implementing the management systems will require additional staff and resources. The Secretary must keep in mind that State DOT staffing levels are determined by the State legislatures, which have been unwilling to provide the departments with additional staff, even when the staff is funded with Federal dollars.

Relaxing the time frames and requirements for completion of the statewide plan and management systems would partially alleviate the staffing requirements during a time when State trends are to reduce the number of full-time employees. At a minimum, DOT/FHWA must take a realistic view and be flexible in enforcing these planning rules to allow States to meet their individual and diverse needs.

Another major concern is the amount of additional data and information that the States will have to collect to comply with the planning and management system requirements. The FHWA should minimize the volume of data collection that is tied to the statewide plan and management systems. It is time consuming and costly to collect information that does not have a major impact on a State's individual decision making process.

For example, USDOT has decided that the safety management system must apply to all public roads. States are therefore required to extend the system over many roads that have long been placed in the jurisdiction of other entities within the State. In Wyoming, for example, there are approximately 39,000 miles of public roads, yet only 6,770 are under the jurisdiction of the State DOT. The other 32,230 are the responsibility of some 120 local governments—cities and counties—and the Federal Government. To develop a safety management system for all 39,000 miles, by reviewing accident history and road conditions and then prioritizing needs; seeking local support and funding; and developing an improvement program, has become a near impossible task, particularly in a short time period.

Similar requirements are included in the pavement management system. ISTEA requires that a pavement management system be developed for all Federal-aid highways. Some Federal-aid highways are under the jurisdiction of relatively small (5,000–15,000 population) cities and counties that either are not receptive to the State's pavement management process or do not want to participate in the funding of a pavement management system. In other cases, the paved mileage under the ju-

isdiction of these local governments is so limited the development of a sophisticated pavement management system is not cost effective. We don't think that the Congress, in passing ISTEA, intended that States have to enact controversial State legislation to shift jurisdiction of roads from local governments to State DOTs. Yet, under the proposed rules, without cooperation of local governments on technical issues, States can have funds withheld unless they resort to such drastic actions in order to obtain the required data.

In short, if ISTEA or the implementing rules had allowed for some exceptions or more flexibility for small jurisdictional bodies, it would have been of some help. If the Senate intends to take up technical correction to ISTEA, we would support a "technical" amendment to ISTEA to ease this burden.

*Crumb Rubber Utilization Requirements of ISTEA Improperly Prelude States from Selecting Pavements Based on Cost and Engineering Considerations*

A specific requirement imposed on the Highway Program which should be repealed, or at least very substantially modified, is the so-called "crumb rubber" requirement of section 1038(d) of ISTEA. We have major concerns, including philosophical and economic concerns, with this provision.

Most importantly, it prevents States from deciding, based on cost and engineering considerations, which types of pavement to utilize. The provision requires a State to utilize crumb rubber in a portion of their pavements even if it has engineering doubts about it. It imposes this requirement even though this material is more expensive than regular asphalt, requiring us to cut back on other projects in order to use crumb rubber. Secretary Peña wrote the Congress last summer, advising that implementation of this provision would greatly increase program costs. Those additional costs would effectively counteract Administration efforts to fully fund ISTEA. Yet, if States do not comply, they face large penalties.

Fortunately, Congress imposed a 1-year moratorium on enforcement of the provision in legislation enacted last year so that this requirement could be reevaluated before it takes effect.

However, even with the moratorium in effect today, the provision is currently set to take effect during Fiscal Year 1995. Under it, States must use a minimum percentage of asphalt pavement containing recycled rubber from scrap tires, increasing to 20 percent in 1997 and thereafter. Any State which does not comply with this requirement will be penalized by withholding a percentage of its IM, NHS, STP and CMAQ funds equal to the annual recycled rubber asphalt utilization requirement. These penalties are extraordinarily severe and would be crippling to any State transportation agency's entire highway program.

The reduction of the number of scrap tires in land fills around the country is a laudable environmental goal. There are many problems with section 1038(d)'s approach to achieving it, however: substantially increased costs for asphalt pavement; the resulting reduction in projects that can be undertaken with given funds; the lack of availability of scrap tires within some States; denial of program credit for use of scrap tires in other than pavement, including but not limited to other highway uses; and concern for unresolved technical, environmental and health questions associated with the use of recycled rubber asphalt pavement.

We are very pleased that in recent months, our concerns have been heard by an increasingly wide audience in Washington.

First, let us take this opportunity to commend Secretary Peña on the Administration's having included, in its Fiscal Year 1995 budget submission to Congress, a proposal to continue the moratorium on enforcement of section 1038(d) of ISTEA. We understand that the Administration may not feel as strongly as we do that section 1038(d) should be repealed or very substantially modified, but are pleased that the Administration is on record as not supporting implementation of it in its present form. In that regard, we want to make it clear that, absent enactment, this year, of legislation repealing or very substantially modifying section 1038(d), we think it essential that Congress continue the moratorium on enforcement of section 1038(d) in the upcoming Fiscal Year 1995 DOT Appropriations Act. We also strongly commend Rep. Carr for including a continued moratorium an enforcement of section 1038(d) in the version of the Fiscal Year 1995 DOT Appropriation Bill developed by the House Transportation Appropriations Subcommittee just before the Memorial Day District Work Period.

From our support for the moratorium, let us turn to section 108 of H.R. 4385. In its deliberations this spring, the House Public Works and Transportation Committee correctly recognized a need to modify section 1038(d). The Committee's proposal, now set forth as section 108 of H.R. 4385, makes a number of changes to the present law which definitely move the provision in the right direction.



Most importantly, the House provision would make section 1038(d) a temporary provision, ending the crumb rubber requirement after Fiscal Year 1997. The House Committee is to be very strongly commended for this reform. In addition, the House provision would lower crumb rubber utilization requirements, reduce penalties for noncompliance, and facilitate achievement of compliance through uses of crumb rubber other than in pavement. These are real and considerable improvements over present law. We also want to express appreciation to Secretary Peña, whose office worked to encourage reform in this area during House Committee consideration of H.R. 4385.

However, we strongly feel that by mandating a 15 percent crumb rubber utilization requirement in Fiscal Year 1997, section 108 sets too high a requirement for a temporary program, especially for a still somewhat untested material. If we could have one change in section 108 of H.R. 4385, other than to transform it into repeal of section 1038(d), it would be to lower the crumb rubber utilization percentage requirements for Fiscal Year 1996 and, particularly, Fiscal Year 1997. Because of the rather high out year crumb rubber utilization requirements maintained by section 108 of H.R. 4385, we cannot endorse it as a final "compromise" on this issue. We believe that further reduction of utilization requirements is warranted before we would let the matter rest. However, we do want to make clear that we believe the House provision does represent real and commendable improvement over present law.

#### *Let States Decide How To Address Motorcycle Safety*

Under section 1031 of ISTEA States which do not pass State laws requiring both the use of motorcycle helmets and seatbelts will have to divert highway construction funds into a Highway Safety program, to be spent on efforts to encourage the use of these devices.

We support efforts to improve highway safety but oppose the means taken in section 1031 of ISTEA to advance that goal. Simply, we oppose the use of Federal mandates and sanctions to pressure States into enacting mandatory seatbelt and motorcycle helmet use laws.

We would like to see section 1031 repealed. However, if repeal is not achievable, we can also support a number of proposals which would at least ease the most objectionable aspects of this provision.

First, we support S. 1842, legislation introduced by Senator Campbell of Colorado, which is now cosponsored by 17 other Senators, including many from this region. Under S. 1842 a State would not be sanctioned if it either has a mandatory motorcycle helmet use law or "a motorcycle safety program administered by the State to reduce motorcycle accidents and fatalities." Under this bill, even though a Federal mandate unfortunately would be continued, the particulars would change in a significant way. Each State would have the freedom to develop its own motorcycle safety program in lieu of a helmet law.

In his statement introducing the bill, Senator Campbell offered clear evidence that safety education, not mandatory helmet laws, are the key to improved motorcycle safety. Thus, S. 1842 also has the merit of shifting this Federal safety provision to a more constructive approach.

Another reform to section 1031 of ISTEA which we can support—and which can be combined with S. 1842—would be to modify the current language linking penalties to a State's passage of both mandatory seatbelt and motorcycle helmet use laws. Simply, under current law, once a State decides not to adopt either a seatbelt or helmet law, there is no incentive left to pass the other; the penalty is the same whether the State fails to pass both such laws or only one. So, if the law cannot be amended to completely eliminate sanctions and penalties in this area, at least the penalty should be reduced so that only 50 percent of the penalty would apply if a State passed only one of the two required laws.

Another particular problem with the current law is that it forces the States which are sanctioned to reduce their highway construction programs and significantly increase their safety education programs even if that is not a State's top safety priority. Allowing a State to spend funds transferred from construction programs, as a result of sanctions, to safety construction programs, such as installing traffic control signs and lights and guard rails and improving rail grade crossings, would also improve section 1031 of ISTEA.

Also on this point, Mr. Chairman, we note your cosponsorship of S. 295, which would change section 1031 of ISTEA from a penalty program to an incentive program. While S. 1842 currently seems to be the leading approach in Congress to redressing the flaws of section 1031 of ISTEA, we appreciate your recognition that the sanctions of ISTEA are not appropriate. So, we urge you to continue to work for

prompt enactment of legislation either repealing section 1031 of ISTEA or, if that is not possible, at least eliminating its most objectionable aspects.

### *Program Delivery Cost and Complexities Have Increased Under ISTEA*

ISTEA has been touted as a transportation bill that allows the States a great deal of flexibility in using Federal funds. ISTEA provides for funding in many more categories, both in expanded scope of programs and in delivery to local levels of government. This flexibility is hamstrung, however, by numerous Federal requirements and provisions in ISTEA that make program delivery awkward and time consuming at best. In some cases, project development costs may exceed actual project cost. Following are three illustrations of program delivery problems. Frankly, there are many more.

1. *Enhancements.* The enhancement program is particularly difficult to deliver. Passage of the enhancement portion of ISTEA has made it necessary for the States to look at many nontraditional programs (historical preservation and landscaping, for example). The ballyhoo and publicity tied to the enhancement portion of ISTEA created enormous interest among local jurisdictions and nontraditional transportation groups. In rural States with relatively limited resources, both for enhancements and traditional transportation projects, the amount of funding going to each individual enhancement project is relatively small. Although local jurisdictions and others are very excited about receiving enhancement funds, they are quickly becoming disillusioned when they find out they must meet all Title 23 requirements and other Federal regulations in order to use even the smallest amount of enhancement funds. If the enhancement set-aside remains mandatory in the long term, the Title 23 burdens need to be changed if we ever want to effectively deliver enhancement projects to local jurisdictions and others.

2. *Transit.* Small rural transit operators do not require large amounts of Federal money to support their transit operations. In Wyoming, for instance, there are 42 section 18 transit operators. Twenty-two of those can effectively run a rural transit operation for a small community with less than \$20,000 annual Federal support. There have not been adequate rural transit funds in the past. And, once again, the burden of Federal regulations that comes with every Federal dollar makes it extremely difficult for small towns to go through all the Federal requirements for such a small amount of Federal funding. This situation will become even worse once the drug and alcohol testing requirements come on line. Anything to provide regulatory relief for small Federal dollar users in this area would be an improvement. Wyoming, for example, finds it necessary to fund many of the small transit programs with State dollars in order to remove some of the Federal regulatory burden from these small jurisdictions. Some lifting of administrative burden to the local rural transit operators is necessary.

3. *CMAQ.* Some rural States have very small areas that do not meet air quality requirements. The transfer of CMAQ funds to other programs in the State has been held up while EPA and USDOT sort out the requirements of ISTEA and the 1990 CAAA. Although it is anticipated all CMAQ funds will not be required for the relatively small areas, the money is standing unused, yet nontransferable. Now that we are in the third year of ISTEA, the amount of CMAQ funds unused are becoming substantial.

### *Conformity Rules*

Another area of concern is the "conformity" requirements which the Clean Air Act attaches to transportation decisions. From the perspective of rural States, any regulations requiring a determination of conformity with clean air standards for rural and urbanized areas that are in attainment will require spending a considerable amount of resources for nonproductive purposes. In States that do not have non-attainment areas, or where non-attainment areas are very limited, and the potential for increased congestion is very low, it is counterproductive to go through an exercise on air quality conformity in the planning process, or on an individual project basis. Those areas in attainment should not be required to go through a determination of conformity.

Accordingly, we were disappointed that the Administration announced last fall an intention to extend conformity determinations to some attainment areas and conformity analysis to at least some non-Federal projects.

Simply, we think extending conformity this far in our region will produce paperwork, delay and little else. We feel the Administration should reconsider and change its position on these issues.

## IV. PRELIMINARY REACTIONS TO H.R. 4385

Before closing, we also take this opportunity to comment on several provisions of H.R. 4385, the House-passed legislation which would, among other things, designate the NHS. We have already discussed H.R. 4385's provisions regarding: designating the NHS and ameliorating many adverse aspects of the crumb rubber provision of ISTEA.

H.R. 4385 is an extensive bill and we have not completed our review of it. Hence, these are our early observations.

#### *Named Projects*

H.R. 4385 includes new authorizations for a considerable number of named highway and transit projects. As we currently understand the bill, it would also rescind a number of pre-ISTEA project authorizations and certain ISTEA authorizations, so the net impact, from the standpoint of Budget Act requirements, is zero or relatively small. The bill's proponents have noted that, by rescinding projects which have not moved forward and by authorizing new ones which are of current interest, there should be more actual construction activity, with more jobs and transportation benefits.

We have several comments on this aspect of H.R. 4385.

First, one aspect of ISTEA which we thought less than ideal was its considerable shift from formula funding to specific project funding. The degree to which Highway Trust Fund revenues are expended on named projects is greater under ISTEA than it has been in the past. This is not to say that we do not accept the reality that named projects are part of the mix of the overall surface transportation program. But we do feel that Congress should emphasize formulas more and named projects less.

Accordingly, we suggest that an alternative to legislating new named project authorizations, in order to utilize the budgetary authority being rescinded, would be to increase formula authorization levels, or the overall obligation ceiling. This approach would leave ISTEA named projects in place, but would use a different approach to accelerating project activity and job creation.

In fact, we strongly believe a general obligation ceiling increase would be more effective, dollar for dollar, than a project list in generating projects and jobs. Virtually every State has, "on the shelf," "ready to go," a number of projects which probably can't be undertaken this year due to funding limitations. These projects are far more ready to go than many projects newly added to a list. Thus, at least at this time, we see a positive reason, in terms of job and project activity, in shifting savings from rescinding old project authorizations to general authority, rather than, new named projects. Without being inflexible on the subject of named projects, we feel that this approach, giving less emphasis to new named projects, will both help restore a more reasonable balance between named project and formula funding, and provide a faster positive impact on the economy.

#### *"National Transportation System" and Modifications to the NHS*

Mr. Chairman, we take this opportunity to offer some early—and cautious—comments about the "National Transportation System." This is a phrase that has been much bandied about, without any clear definition of what precisely anybody has in mind. We think congressional consideration of an NTS should be based on specifics rather than an attractive label.

First, what is there to say at this juncture about a National Transportation System? This Nation already has a national transportation system. It is a good system, and we are all properly working hard at all times to improve it as best we can.

Consider: our Nation has extensive highway, transit, airport, sea and river port, lock and dam, rail, and pipeline transportation assets throughout the country. They are financed, collectively, by a mix of Federal, State, local and private funds. The systems and their use are subject to varying degrees of safety and economic regulation and taxation. The Federal Government is constantly evaluating how much to invest in these systems and whether regulatory adjustments are needed.

In short, this Nation already has a national transportation system. So, we believe that any proposals to "create" a "National Transportation System" are, in reality, proposals to change particular aspects of how today's system works. Those proposals must be judged on those particulars, not on an attractive label.

In that regard, the House has now sent to the Senate section 101 of H.R. 4385. This provision would establish a mechanism for modifying the NHS and for establishing an NTS. The NTS language, section 101(b) of H.R. 4385, is undefined. It simply asks the Secretary to propose an NTS. We believe the Congress and Nation are entitled to the benefit of proposals from the Secretary of Transportation. But we have no idea whether we will be able to support any, all, or part of what the

Secretary will propose. What if the Secretary will propose transferring highway funds to airports, shifting administration of highway programs from States to local planning officials, increasing regulation of States or deemphasizing Federal investment in highways in this region. Clearly, we'd have trouble with such proposals.

We're not suggesting that these are ideas the Secretary has in mind, but we want to be very clear that support for what, in essence, is an open ended study, is not support for whatever comes out of that study.

And, if we seem a little skeptical, Mr. Chairman, perhaps it is because the one specific in front of us today does give us some concern. In section 101 of H.R. 4385, proposed new section 103(d)(3) of title 23, United States Code, allows the Secretary to propose modifications to the NHS. Under the proposal, which is in the same section as the NTS proposal, the Secretary is essentially limited to proposing, as NHS additions, connections to ports, airports, transit systems, rail stations and border crossings. Connections to such points were eligible for inclusion under the original NHS classification language, but so were highways of regional importance. So, what this new legislation says to us, Mr. Chairman, is that if one of our States wants to propose adding a road to the NHS that is of importance to this region, it will not be as high a priority for the Secretary as connections to major ports, airports or transit stations—elements of an NTS and types of facilities which, frankly, are not in abundance in Montana or elsewhere in this region.

We fully support the idea that States should be able to add NHS routes if appropriate to connect major ports or airports to our major highways. However, the legislation should not discourage other kinds of additions that might be important to our rural region. As links to modal facilities were already eligible for NHS designation in the original language of ISTEA, we question the need or desirability of this amendment.

Similarly, efforts to develop an NTS proposal must be conducted in a manner which is fair to our region of the country. Let us suggest several ways this can be achieved.

First, the proposal must be developed carefully, and offer detailed consultation with the States. Development of the NHS proposal before us today essentially began in the mid-1980s with the first discussions of a program of "Highways of National Significance." If comparable care and thought can be built into development of an NTS prepared in just 2 years (as proposed in H.R. 4385), fine. But, if it cannot, we think that the appropriate care is more important than an artificial deadline. Second, the process should focus on consultation with States and use as a point of departure the State transportation plans which ISTEA requires States to develop. Third, the proposal should be very clear that the national interest in transportation and access to rural areas, as well as metropolitan areas, must be carefully considered.

This latter requirement may seem unnecessary, Mr. Chairman, because Secretary Peña has already shown appreciation of the importance of highways in rural areas. However, we are unsure that many of the proponents of an "NTS" care very much about transportation in rural America.

So, we think statutory guidance to ensure fair consideration of rural concerns in the development of any NTS proposal, and fair eligibility for rural highway additions to the NHS is appropriate.

#### *Quality and Bureaucracy*

H.R. 4385 includes a number of provisions commendably intended to insure quality in the delivery of highway services, such as requirements for evaluation of life cycle project costs and project warranty requirements.

We completely support efforts to improve quality of our Nation's roads and are consistently doing our best to achieve that.

Our primary reason for flagging these provisions, however, is our desire to ensure that they are not susceptible to being administered in a way that imposes a significant new layer of Federal review on State project and engineering decisions. We do not believe increased bureaucratic review is necessary or desirable, and want to ensure that any proposal, no matter how well intentioned, would not have such adverse side effects.

#### *FHWA Metrication Programs Should Be Delayed and Reassessed*

The House bill properly includes a provision, section 124, which would preclude the Federal Government from requiring States to use Federal or State funds to erect highway signs utilizing the metric system of measurement. The provision would also preclude use of Federal funds for highway signs utilizing metric measures.

Given the many competing and higher priorities for transportation dollars, we certainly agree that erecting signs utilizing metric measures should be, at best, a low

priority use of funds. The House was correct to develop statutory language on this point.

We believe the House provision should be broadened and strengthened, however, Congress should also require FHWA to cancel, or at least delay, FHWA's plans to require States to convert their activities and business operations to the metric system of weights and measures by September 30, 1996. FHWA's metric conversion plan requires that all highway construction plans, specifications and estimates be prepared in metric units of measurement by September 30, 1996 or Federal-Aid Highway Program funds will not be authorized for such projects. This is an ultimate unfunded Federal mandate.

FHWA's program should be delayed until the public and private sectors have coordinated their efforts, and until a concerted public awareness and education effort has been instituted. These recommendations are supported by the following reasons:

*1. Lack of Public, Private, and Governmental Support.* A January 1994 GAO Report (Rpt. No. GAO/RCED 94-23) states that the Federal government by itself cannot achieve the goal of metric conversion. It reports that to achieve conversion the public and private sector must see a need for greater cooperation and that realistic time frames need to be adopted simultaneously by industry and the government to plan effectively for the transition.

The General Services Administration (GSA) comments to the report stated, "Before additional resources are consumed in preparing Federal business activities for metric conversion, we recommend a complete reassessment of the viability of the statutory requirement. We question whether the indirect use of Federal activities to foster change by industry represents the best utilization of our resources in these times of streamlining, downsizing and making government more responsive and cost effective."

The Interstate Commerce Commission, in a decision issued on June 2, 1992, dropped all plans to encourage the industries it regulates to switch from the decimal to the metric system of measurement. Also, according to the GAO Report, the Department of Defense and NASA have requested exemptions from the metric conversion requirement, and the Department of Education has not even begun preparing a plan for educating the public on the subject of metric conversion.

*2. Unfunded Federal Mandate.* President Clinton through two executive orders has recognized (1) the burden of unfunded Federal mandates (Executive Order 12875 of October 26, 1993) and (2) the need to promote more effective, efficient infrastructure investments (Executive Order 12893 of January 26, 1994). Contrary to the executive orders, conversion to the metric standard will require State and local transportation agencies to absorb the cost within their own budgets at a time when infrastructure needs and costs continue to increase. This diversion of millions of construction and maintenance dollars from the Nation's highways and bridges will inhibit rather than enhance productivity. The costs associated with conversion will range from changing highway speed and distance signs to rewriting highway and transportation design procedures and rewriting vehicle license procedures and manuals to the retraining of workers and contractors throughout the public and private sector.

In the face of these compelling arguments, as well as certain negative public reaction, the Federal Highway Administration unfortunately insists on continuing to move forward with its Metric Conversion Plan. It does so even though implementing it will be extremely costly to State and local transportation agencies, when there will be no significant benefits, even though funds spent on metric conversion will not be available for infrastructure investments, and even though few, if any other Federal agencies are converting at this time.

For all these reasons, we believe Congress should enact a strengthened revision of section 124 of H.R. 4385, to delay the implementation of FHWA's unfunded mandate that State highway programs convert to the metric system. The delay should continue at least until a more complete picture of the impact, the existence of public and private support, and a coordination planned effort by government agencies exists.

#### *Technical Corrections/Minor Amendments*

We are still reviewing the many technical and minor provisions included in H.R. 4385. However, we have comments today on a few of them.

Proposed section 225 would create a new planning requirement for rural priority local roads and bridges. We already do planning for off-system bridges and, under ISTEA, are not responsible for local roads that are not classified as major collectors or above. To the extent this provision will require planning for minor collector roads

that we cannot fund, we really feel this is a misdirection of planning resources, particularly in our States, which are already working hard on rural transportation needs.

Also, as noted above, we will likely forward to you in the near future a proposed technical/minor amendment to address the problem caused by management plan requirements that States develop data and administer programs for roads which have long been under the jurisdiction of cities and counties.

Finally, let us say that we think it appropriate that many issues be dealt with at this time either only in a technical or minor way, or not at all. For example, ISTEA included some noteworthy provisions regarding truck size, provisions which we would not revisit at this early time. We are glad that the House committee determined to resist reopening policy level debates in that and many other areas.

#### CONCLUSION

Mr. Chairman, in our statement today we have explained our support for prompt designation of the National Highway System, some particular views regarding NHS designation and studies of a "National Transportation System," and our views on a range of issues arising under ISTEA.

We have tried to explain how legislative action in these areas could be tailored to best help the Nation in general and our region in particular. We have also tried to make clear that, while we have views on a wide range of issues, NHS designation is our top priority. It is sufficiently important to us that we would support treating other issues in separate legislation if that is the way to achieve prompt congressional approval of NHS designation.

In closing, Mr. Chairman, we thank you again for the opportunity to appear before you today, and for your continuing efforts to improve the transportation system in Montana and its neighboring States. We also want to again thank Secretary Peña and Administrator Slater for making the considerable effort to be here today and learn more about our concerns and needs. At this time, we'd be pleased to respond to any questions you may have.

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#### STATEMENT OF DWIGHT M. BOWER, DIRECTOR, IDAHO TRANSPORTATION DEPARTMENT

Mr. Chairman, my name is Dwight Bower and I am Director of the Idaho Transportation Department. Thank you for this opportunity to present the views of our Department concerning legislation designating the National Highway System or "NHS." Before I begin, I would like to mention that I am here today not only as a representative of Idaho, but also as a member of a coalition of State transportation agencies which also includes Montana, North Dakota, South Dakota and Wyoming. The oral and written testimony made by the representatives of those agencies at this hearing are fully supported by the Idaho Transportation Department.

The main point that I wish to address today, Mr. Chairman, is the extreme importance of designating the National Highway System as quickly and cleanly as possible. As you know, passage of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) marked the end of an era in the history of surface transportation in this country with the completion of the Interstate System. ISTEA made significant changes in the way we do business—eliminating the old Federal-Aid Highway Program funding categories and creating a number of broad, new programs which allow greater flexibility in where and how transportation funds may be spent. Emphasis has been placed on statewide and metropolitan planning processes and on development of intermodal systems which will connect all modes of transportation together into a coordinated whole. The NHS is a vital part of this intermodal transportation system.

The purpose of the NHS, according to ISTEA, is to "... provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, ... major travel destinations; meet national defense requirements; and serve interstate and interregional travel." The stated purpose of the NHS reflects congressional commitment to an intermodal network that will promote economic growth and enhance international competitiveness. This is particularly important in light of the recent approval of the North American Free Trade Agreement, which created a huge economic market spanning Canada, the United States and Mexico. Highway travel predominates in the areas of personal and freight transportation. Over 90 percent of all trips to work and a similar percentage of personal trips occur on highways. Nearly every product we buy travels by highway at some point in its journey to the marketplace. The NHS will carry the bulk of this international and interstate

commerce and personal or recreational travel for the foreseeable future. An estimated 70 percent of commercial truck traffic will travel on the NHS, providing links between airports, ports, population centers and international border crossings. At the national level, it is vital that we provide the level of commitment and funding necessary to support the highway portion of a new intermodal transportation system.

In the past, it was common for the various modes of transportation to operate in isolation from or in competition with each other. As stated before, ISTEA places a high priority on viewing transportation needs from an intermodal perspective. In fact, ISTEA requires each State to establish a statewide transportation plan which considers intermodal factors, a public transportation management system and an intermodal management system. It also requires the metropolitan planning process to involve airports, ports and other intermodal facilities. It is in this context that the NHS will have to operate. At all levels of government, in all areas of our country, plans are being carried out to develop and implement these required intermodal systems. The shift to a cooperative, intermodal system is already underway, with many goods and freight containers being moved by sea, rail and truck during a single journey. This trend will accelerate tremendously in the future. The more easily goods move and the faster intermodal transfers take place, the more efficient our economy will be. Without the NHS, however, the national system will break down into 50 individual systems, with insufficient thought being given to the connectivity of trade or travel corridors between various regions.

The NHS, however, is not important only because of its economic impact. As a national highway system it will also provide a number of other benefits—including increased highway safety and better system performance due to roadway improvements. The NHS will also provide greater opportunities for urban areas to improve urban arterials and decrease congestion. Under ISTEA, for instance, State and local officials could choose to transfer up to 50 percent of NHS funds to the Surface Transportation Program where they could be used for transit or transportation enhancements. Through all of these various activities, the NHS will contribute significantly to the improvement of our nations economy, mobility, safety and environment.

The NHS is the next logical step in the evolution of surface transportation in the U.S. It recognizes the importance of making highways part of an intermodal network to improve the economy and mobility of our country and, at the same time, reflects the new emphasis required by ISTEA for consideration of the energy, environmental and social effects of the transportation choices we make. The NHS, however, should not be designated as a static system, but should allow the States the flexibility necessary to respond to changing conditions within the State. If, after congressional approval of the NHS, a State determines that one route should be removed from the NHS and another route added (while still remaining within the State's allocated mileage limit) then the Secretary of Transportation should be given the authority to approve those changes. The authority to approve any additions in mileage to the NHS, though, should remain with the Congress.

I would like to add, Mr. Chairman, that the proposed NHS route system is a good one. For this reason, our recommendation to take action at this time is appropriate. Secretary Peña and Mr. Slater are to be congratulated on their efforts in working with the States and others in pulling together a workable NHS.

In conclusion, I would respectfully urge the Congress to move forward as rapidly as possible with approval of the NHS. The many issues raised in the "National Highway System Act of 1994" (H.R. 4385) can and should be resolved, but not at the expense of approval of the NHS before September 30, 1995. As you are aware, if approval does not occur by that date, no NHS funds may be apportioned to the States for following fiscal years. Failure by Congress to approve the National Highway System at the earliest date possible would create an unacceptable financial hardship for Idaho's transportation program and for the other States as well.

Thank you for providing this opportunity to testify on this important matter.

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STATEMENT OF RICHARD L. HOWARD, SECRETARY SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

Mr. Chairman, good morning. I am Dick Howard, Secretary of the South Dakota Department of Transportation.

I join with my colleagues in thanking you for holding this hearing in the West on this very important legislation. Your support of our transportation concerns in this region is very much appreciated.

I am pleased to be able to present part of the joint testimony on behalf of the Idaho, Montana, North Dakota, Wyoming and South Dakota Departments of Transportation.

I appreciate the opportunity, Mr. Chairman, to again appear before you and discuss our views on Designation of the National Highway System and Implementation of the Intermodal Surface Transportation Efficiency Act of 1991. Our Department fully supports the written testimony submitted by the Western Association of State Highway and Transportation Officials (WASHTO) and the Joint Statement of the Transportation Departments of Montana, Idaho, North Dakota, South Dakota and Wyoming.

I want to discuss three subjects with you this morning: 1) The National Highway System, 2) Full Funding of ISTEA, and 3) Delay of Metric Conversion.

#### NATIONAL HIGHWAY SYSTEM

First, let me reiterate the importance of the National Highway System (NHS) to our area as discussed by Mr. Bower earlier. On April 14, 1993, our States appeared before you at Kalispell regarding the implementation of the Intermodal Surface Transportation Efficiency Act of 1991. At that time, we were requesting an increase in the NHS designated miles in our States. Please remember that we showed a map of the FHWA Illustrative NHS. The gaps between some of the illustrated NHS routes were large enough to include total New England States. Through your efforts and our working closely with FHWA/USDOT officials, a vast improvement has been made in the recommended NHS. A map of the current FHWA recommended NHS has been developed for our five-State Area with the New England States plotted in the same locations as the earlier map. This shows that most of the States are now dissected by NHS routes. Since the April 14, 1993 hearing when the illustrative NHS for our Region was 11,420 miles, the efforts of working cooperatively has resulted in a FHWA recommended NHS for our Region to Congress of 14,259 miles, a 2,839 mile or a 25 percent increase. We believe the effort of working together has produced this result.

Following the Kalispell hearing we continued to work with the States in our Region and expanded the original five State regional proposal to include the States of Arizona, Colorado, Nevada, New Mexico and Utah. This ten State regional proposal has the twelfth largest economy in the world. The NHS is important to this Region to ensure connectivity between urban and rural areas, ensuring that agricultural products and natural resources are moved to market and ensuring the availability of corridors for trade and tourism and providing access to Indian Reservations, national parks and other important areas. Through the efforts of these States working both individually and collectively with the USDOT/FHWA, we have a system that treats the Region more fairly and we support the NHS as recommended by the USDOT to Congress.

#### FULL FUNDING OF ISTEA

We appreciate that this Administration and many members of Congress have made efforts to increase appropriations for surface transportation programs. We urge you, Mr. Chairman, and Secretary Peña, to continue those efforts. Simply, the needs are there. Even if ISTEA is fully funded, it is not possible to undertake all of the important transportation projects which we have identified in our region—even for the preservation of the transportation system, much less any additions. We are sure that is the case in other areas as well.

A transportation system which provides for connectivity to and within our region is not only vital to our economies, but is in the national interest. We must have a system in our region that provides a means for us to deliver our agricultural products and natural resources to the industrial areas of the East coast or throughout the world and returns the finished products to meet our needs in the West. And, because our region is characterized by huge distances and few people, on a per capita basis our citizens put forward a very high level of financial effort to maintain and improve our vast transportation systems. So, full funding of ISTEA helps make our economy work better and at a more reasonable per capita cost. Also, if ISTEA is not fully funded, which unfortunately appears to be the norm, it becomes even harder to keep up with our backlog of unmet needs.

While we are not advocating any changes in the funding provisions at this time, let us note one relatively minor aspect of ISTEA's funding allocation scheme which we believe definitely should be changed when future funding allocations are considered. Under the Act, Federal Lands Highways funds are included in the list of funding types used to calculate a State's "Hold Harmless" adjustment. In effect, this provision reduces a State's Surface Transportation Program apportionment by the



amount of discretionary Federal Lands Highway funding the State receives. We feel this provision is misguided because it treats Federal lands as if they are of concern only to a particular State, rather than to the Nation as a whole. An improvement to a road across Federal lands provides a national, not a local benefit, yet the Act's formula subtracts from a State's apportionment any funds received for a discretionary Federal Lands Highways project. Thus, to apply for funds to improve a road across Federal lands—and get the funds—means the State loses that much money for projects elsewhere. As a result, the provision discourages our States from nominating Federal Lands projects, including those of great interest to Federal land management agencies, because there is not a net gain from having one's project selected. This provision is also inconsistent with another aspect of ISTEA in that Federal Lands funding is used in section 1015 to calculate a State's "Hold Harmless" adjustment, but not, in section 1013 to determine a State's "Minimum Allocation."

In short, probably everybody agrees the area where the Nation should focus Federal Lands Highways investments is the West, where there is high national interest in providing access to unique national parks, forests and other areas. Yet, this aspect of ISTEA's "Hold Harmless" provision discourages that very investment. It should be changed.

We also take this opportunity to note that except for the Federal Lands issue and some problems (identified in the written five-State Testimony) with the handling of formula funds under the present obligation ceiling laws, we believe the apportionment formulas of ISTEA are fair, reasonable, and reflect the national interest. The Federal Government should ensure that the Federal highway/transportation program connects the Nation and allows people and goods to be brought to, from and through sparsely populated as well as metropolitan areas. The current formulas do achieve this basic goal, even though current funding levels still leave us unable to undertake all the projects that our States believe are truly important.

#### FHWA METRICATION PROGRAMS SHOULD BE DELAYED AND REASSESSED

The House bill (H.R. 4385) properly includes a provision, section 124, which would preclude the Federal Government from requiring States to use Federal or State funds to erect highway signs utilizing the metric system of measurement. The provision would also preclude use of Federal funds for highway signs utilizing metric measures.

Given the many competing and higher priorities for transportation dollars, we certainly agree with the House action. The House was correct to develop statutory language on this point.

We believe, however, that the House provision should be broadened and strengthened. Congress should also require FHWA to cancel, or at least delay, FHWA plans to require States to convert their activities and business operations to the metric system of weight and measures by September 30, 1996. FHWA's metric conversion plan requires that all highway construction plans, specifications and estimates be prepared in metric units of measurement by September 30, 1996 or Federal-Aid Highway Program funds will not be authorized for such projects. This is an ultimate unfunded Federal mandate.

FHWA's metrication program should be delayed until the public and private sectors have coordinated their efforts, and until a concerted public awareness and education effort has been instituted. These recommendations are supported by the following reasons:

1. Lack of Public, Private, and Governmental Support. A January 1994 GAO Report (Report No. GAO/RCED 94-23) states that the Federal government by itself cannot achieve the goal of metric conversion. It reports that to achieve conversion the public and private sector must see a need for conversion, the Federal government needs the support of private sector suppliers to provide metric standards in the procurement of supplies, and there needs to be a concerted education program in place prior to conversion. The GAO further reported that various Federal agencies see a need for greater cooperation and that realistic time frames need to be adopted simultaneously by industry and the government to plan effectively for the transition.

The General Services Administration (GSA) comments to the report stated, "Before additional resources are consumed in preparing Federal business activities for metric conversion, we recommend a complete reassessment of the viability of the statutory requirement. We question whether the indirect use of Federal activities to foster change by industry represents the best utilization of our resources in these times of streamlining, downsizing and making government more responsive and cost effective."

The Interstate Commerce Commission, in a decision issued on June 2, 1992, dropped all plans to encourage the industries it regulates to switch from the decimal to the metric system of measurement. Also, according to the GAO Report, the Department of Defense and NASA have requested exemptions from the metric conversion requirement, and the Department of Education has not even begun preparing a plan for educating the public on the subject of metric conversion.

2. Unfunded Federal Mandate. President Clinton through two executive orders has recognized (1) the burden of unfunded Federal mandates (Executive Order 12875 of October 26, 1993) and (2) the need to promote more effective, efficient infrastructure investments (Executive Order 12893 of January 26, 1994). Contrary to the executive orders, conversion to the metric-standard will require State and local transportation agencies to absorb the costs within their own budgets at a time when infrastructure needs and costs continue to increase. This diversion of millions of construction and maintenance dollars from the Nation's highways and bridges will inhibit rather than enhance productivity. The costs associated with conversion will range from changing highway speed and distance signs to rewriting highway and transportation design procedures and rewriting vehicle license procedures and manuals to the retraining of workers and contractors throughout the public and private sector.

In the face of these compelling arguments, as well as certain negative public reaction, the Federal Highway Administration unfortunately insists on continuing to move forward with its Metric Conversion Plan. It does so even though implementing it will be extremely costly to State and local transportation agencies, when there will be no significant benefits, even though funds spent on metric conversion will not be available for infrastructure investments, and even though few, if any other Federal agencies are converting at this time.

For all these reasons, we believe Congress should enact a strengthened version of section 124 of H.R. 4385, to delay the implementation of FHWA's unfunded mandate that State highway programs convert to the metric system. The delay should continue at least until a more complete picture of the impact, the existence of public and private support, and a coordinated planned effort by governmental agencies exists—we propose that the delay be at least until the year 2000.

Thank you Mr. Chairman for this opportunity to provide you with our Region's comments on this very important Legislation. If you have any questions, I would be happy to respond.

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STATEMENT BRUCE BOODY AND JUDY CORNELL ON BEHALF OF CITIZENS FOR A BETTER FLATHEAD

We appreciate the opportunity to address the Committee on Environment and Public Works regarding the implementation of the National Highway System within ISTEA.

Citizen's For A Better Flathead is a nonprofit organization formed in 1991 in response to concern about the redesign of U.S. Highway 93. The organization expanded the scope of its activities in 1992 to address land use and waste management issues in the Flathead Valley.

The Flathead Valley is a unique and beautiful place. In our experience, NHS highways like U.S. 93 exemplify the need for transportation systems to be responsive to the communities and environments they serve.

ISTEA, SEC. 1006 NATIONAL HIGHWAY SYSTEM

The Intermodal Surface Transportation Efficiency Act of 1991, for the first time, considered "the overall social, economic, energy, and environmental effects of transportation decisions" on communities. It is a holistic approach to transportation ensuring that transportation systems not only efficiently move people and products, but enhance the communities they serve.

In Montana's inner-mountain valleys we have the opportunity to plan before major growth occurs and to learn from other communities' mistakes. These rural areas, served almost exclusively by the National Highway System, are beginning to experience gridlock and strip development—classic symptoms of failed transportation planning. A vision for the NHS which embraces intermodalism is critical.

Unique geological characteristics and limited land area through inner-mountain valley corridors will prohibit continued expansion of highways, or building new highways—the traditional solution for meeting increased transportation demands. ISTEA's nontraditional vision must be applied to the NHS in Montana. To begin

with, the NHS should be known as the National Transportation System. It must enhance communities by recognizing the importance of land use planning, and visual, social, cultural, economic, energy, environmental and historic resources.

To be truly responsive to community needs, transportation systems must also be multimodal.

#### TRANSPORTATION SYSTEM IMPACTS

Current transportation systems in Montana are dominated by highways. In the Flathead Valley, we have two NHS highways—U.S. 93 and U.S. 2—transecting the valley north-south and east-west. The Bitterroot Valley, Mission Valley, Flathead and Tobacco Valleys, are each dominated by U.S. Highway 93. The Missoula area is dominated U.S. 93 and I-90. The NHS designated highways, in particular, have significant impacts on Montana communities.

*Air Quality Impacts:* A startling example of what could happen in Montana's inner-mountain valleys is occurring in Grand Canyon National Park. Air pollution is funneled by prevailing air currents into the park from southern California, at times denying visitors a view across the Canyon.

The Flathead Valley's three major communities are nearing or at non-attainment status. Degradation of the valley's air quality is visible more often than not, and the impact is now reaching Glacier National Park. All western inner-mountain valleys share similar characteristic that will continue to exacerbate air quality problems.

*Land Use Impacts:* In the Flathead Valley, our highway corridors are under extreme pressure from commercial strip development. Continued short-sighted highway expansions and strip development, combined, will result in losses of agricultural and residential lands. Not only do we see the movement of people and goods along these corridors failing, but the unique characters of our communities are at risk. The pattern of sprawl jeopardizes not only rural landscapes, but it has a negative effect on community-centered growth, and our social and economic wellbeing.

If the existing network of highways fails to meet future transportation needs, any development of new highway corridors will have devastating impacts on Montana's inner-mountain valleys. Futuristic planning to protect and enhance efficient use of existing transportation corridors should be the goal of ISTEA, NHS, and . . . more appropriately, the NTS.

#### FLEXIBLE DESIGN STANDARDS

Flexibility in transportation modes and NHS/NTS design standards will better meet the spectrum of needs unique to communities and rural areas. How else can transportation systems enhance our communities?

The implementation of ISTEA mandates transportation planning far beyond the scope of any prior process. It recognizes the role of transportation decisions on land use planning and the environment, providing benefits far beyond transportation. ISTEA comes to us at an opportune time for the West, and areas like the Flathead Valley, where we are experiencing profound change.

The goals of ISTEA must be inherent in the development of the NHS/NTS.

Thank you for the opportunity to comment on ISTEA, the National Transportation System, and intermodalism.

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#### STATEMENT OF THE WESTERN HIGHWAY INSTITUTE

In 1919, a young Army captain led an 81-vehicle convoy across America to determine whether the Nation's roads were adequate to meet the needs of national defense. Sixty-five days later, the convoy arrived in San Francisco. The experience caused young Captain Dwight D. Eisenhower to make this report to the War Department: "The necessity for a comprehensive system of national highways is real and urgent as a commercial asset to further colonize and develop the sparsely settled sections of the country and finally, as a defensive necessity."

Captain, then General, then President Eisenhower never forgot the lesson he learned on that 65-day trip. The crowning achievement of his presidency was the inauguration of the National System of Interstate and Defense Highways. Further, he had seen, from his time in Germany, "the wisdom of broader ribbons across the land . . . After seeing the autobahns of modern Germany and knowing the asset those highways were to the Germans, I decided, as President, to put an emphasis on this kind of road building." As he signed the first Federal-Aid Highway Act into law, he said: "Its impact on the American economy would be beyond calculation."

In recent years, during Operation Desert Storm, our Nation's highway system provided the means for the Defense Department to move men and equipment in an unprecedented, quick mobilization as the more than 50,000 miles of roads the Pentagon classifies as "strategic" were put to use. It is no accident that America's greatest period of economic growth occurred during the years the Congress had highway construction as a public policy priority.

The lessons learned in 1919 have an application today, as they did in 1956 with the enactment of the program to build the Interstate System of Highways. Today the focus is to move beyond the Interstate System and to place our Nation's resources towards the development of a National System of Highways to lead the economic development of our Nation and ensure mobility well into the 21st century.

It is widely recognized that America built itself around its highways. Clearly, this is especially true in the Western States where there are few navigable rivers and where the railroads were built as transcontinental bridges from one coast to the other. With the exception of a few isolated examples, our population centers are not large enough to support mass transit efforts. Rail service is primarily focused on huge unit trains hauling natural resources that connect to the world's markets. At the same time, these natural resource producers rely exclusively on truck transportation to supply the materials used in production of the commodities. Often, the vehicles used are more productive longer combination vehicles, illustrating the fact that successful intermodalism is strongly supported by efficient highway transportation. In the West, a good proportion of our population frequently lives at the end of a road. Our great national treasures, the glorious parks and monuments of the West, are accessible only by highways.

There are strong, vital links between the level of infrastructure investment and the Nation's ability to increase its level of productivity. David A. Aschauer, Senior Economist, Federal Reserve Bank of Chicago, is a student of economic trends. He has concluded, from studying more than 40 years of trends, that government has shifted its spending priorities away from investment in the future and toward public consumption in the present. This trend, he states, is "at the root of some of our most important long-term economic difficulties: our low productivity growth; our declining private profit rate; and our reduced global competitiveness."

Mr. Aschauer continues: "By reorienting our public spending priorities so as to upgrade and expand our infrastructure, we can be confident we will heighten the productivity of our workforce and improve our position in the increasingly competitive international workplace."

In the West, the health of our economy is directly tied to a good transportation network. One way to measure the economic importance of highways is their physical production: tons of cargo moved or passenger miles traveled. In 1965, the Nation's highways transported 359 billion ton-miles of freight. In 25 years, that tonnage has increased 8.5 times—to an estimated 3.4 trillion tons of freight in 1990. By the year 2,000, domestic freight tonnage will increase by 30 percent. Even with a conservative economic growth rate of 2.8 percent per year, commercial vehicles will have to travel 31 percent more miles than they do today.

From 1987 to 1992, the Western Region had the highest export growth of all the regions. In Montana, exports divide almost evenly between manufactured goods and commodities. Mining is the biggest source of commodities. Economic growth rates in the Rocky Mountain States have been five times that of the rest of the United States since 1991. And if growth rate trends continue, the West will overtake the South in total value of exports by 1998.

In the first quarter of 1994, U.S. exports to Mexico totaled \$11.9 billion, setting a pace to hit nearly \$48 billion by year's end, a 15 percent gain over 1993 exports. Four and a half months after the North American Free Trade Agreement, Mexico is close to overtaking Japan as the Nation's second largest export market. Currently, Canada and the United States conduct more trade than any other pair of countries; in 1993 that total was \$194 billion. In 1993, exports to Canada increased nearly 18 percent over 1992; U.S. imports from Canada were up over 20 percent. As NAFTA continues to evolve, these growth patterns will rise and Montana will benefit from a strong transportation infrastructure. A National Highway System is the key to Montana's and our Nation's participation in this continued trade expansion.

The trucking industry is only one segment of the Western population who is a stakeholder in the development of a National Highway System. Highways are the primary access to the world for nearly two-thirds of Western towns and cities. Tourism relies on safe and well maintained highways. Our foodstuffs and consumer goods arrive by highway. The agricultural, mining and forest products of the West travel to market by truck. In just one Western State, more than 30 percent of school age children travel to school by bus. These children travel more than 15 million

miles each year on the highways. Their safety and well-being depends upon a safe, well maintained highway system.

Transportation is a tool—a support service to all economic and social endeavors. While an educated and skilled workforce is essential to make U.S. manufacturers a competitive force in a global marketplace, it takes an efficient transportation system to get those products to market at competitive prices. Continued changing patterns in demographics have an impact and effect on transportation needs. The economy has moved steadily from one of producing goods towards selling higher value goods and services. Nearly three-quarters of all jobs are now created outside of the traditional manufacturing sectors. Transportation services are changing, too. As freight becomes more valuable, the transportation user will move to those providers who can offer safe, reliable and timely service. These market shifts, particularly in the West and South, have had a permanent effect on transportation needs. We are a Nation that is tied to personal, on-demand transportation. Time is an integral part of the equation, both in terms of personal as well as freight transportation. The Nation's citizens, businesses and national security demand a highway system that will transport people and goods more efficiently, more safely and faster than at any time in our history.

The highway is the workplace of the commercial vehicle. Its maintenance and development is as necessary as the fuel which powers the truck. Perhaps the most challenging part of our transportation dilemma is how to optimize the efficiency of our current transportation network at the least cost. Transportation needs are constantly changing and our future depends on our ability to make the changes necessary to meet those needs in a timely fashion. Inefficiencies that were once acceptable are rapidly becoming too expensive to accept. Artificial barriers to productivity for all modes of transportation are no longer acceptable. In the West, the private sector, in partnership with State governments, has been innovative in its efforts to increase commercial payloads by reducing tare weights, increasing load space, and using productive longer combination vehicles on appropriate routes. While miles traveled have increased, accidents have been reduced, all of which benefits the American public. The Transportation Research Board of the National Academy of Science has determined that among the benefits of productive longer combination truck transportation are less stress on pavement and bridges, significant fuel savings, and reduced emissions. Fewer trucks on the road carry more freight, have superior safety records, and lower transportation costs which benefits consumers and enhances regional economic performance. These factors add up to cost benefit ratios of approximately eight to one, according to the TRB Report No. 225, "Truck Weight Limits—Issues and Options."

The issues of productivity, fuel conservation, reduced emissions, traffic count and competitiveness cannot be ignored by highway users, consumers, or Congress much longer. The infrastructure supporting the transportation network is an essential tool whose care we cannot ignore any longer. In the words of John Gardner, "The society which neglects its plumbing in favor of lofty rhetoric will find that neither its pipes nor its theories will hold water."

In an editorial written for the Highway Users Federation, Senator Max Baucus stated: "For too long, we have ignored our surface transportation needs. When it comes to infrastructure investment, we are dead last among our principal economic competitors. This is an alarming trend. We must begin to reverse this downward spiral and invest in our physical resources. If we choose not to, it will seriously threaten our economic foundation and continue to hamper our abilities to compete in the global marketplace."

The Western Highway Institute wholeheartedly supports the position of Senator Baucus. Early enactment of the National Highway System legislation is critical to meeting the goals outlined by the Senator.

The concept of a National Highway System as envisioned in ISTEA 1991 is an idea whose time has come. The freeze on more productive longer combination vehicles imposed in ISTEA is contrary to meeting the goals of ISTEA. The policy declaration of ISTEA is as follows: "It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the Nation to compete in the global economy, and will move people and goods in an energy efficient manner." The policy declaration further states: "The system shall consist of all forms of transportation in a unified, interconnected manner, including the transportation systems of the future, to reduce energy consumption and air pollution while promoting economic development and supporting the Nation's preeminent position in international commerce." The LCV freeze violates every one of the goals embodied in the policy declaration.

The operation of longer combination vehicles should be returned to the control of the States who have been diligent in developing systems which are safe, economically sound and meet regional economic goals.

The National Highway System must be adopted by Congress in 1994. Every person, every service, every goods movement relies on highway use every day. The National Highway System is as essential a bond to the quality of life in the West as any other aspect of the Nation's infrastructure investment.

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June 4, 1994

Senator Max Baucus  
 United States Senate  
 Senate Environmental & Public  
 Works Committee  
 Washington, D.C. 20510-6175

Dear Senator Baucus:

The State of Alaska appreciates the opportunity to comment on the proposed designation of the National Highway System. We strongly support designation this year of the National Highway System, as submitted by the Federal Highway Administration (FHWA) to the U.S. Congress.

There remains, however, several critical issues that severely impact Alaska's ability to address our basic transportation system needs. Many of these same issues affect other states as well. We offer these comments in the spirit of forging stronger transportation legislation that recognizes unique aspects of each state, yet is beneficial to all states.

We are aware that you would prefer to limit the focus of this legislation simply to designate the National Highway System. We must strongly disagree. There are critical flaws in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), that need to be addressed. The impacts of these deficiencies in ISTEA are occurring now and will continue to occur until addressed by Congress.

We encourage the Congress to take this opportunity to revise certain portions of ISTEA to better fit the transportation needs of America.

In the development of ISTEA, an underlying goal was to strive for national consistency. While, ideally, consistency is a worthy goal, it is very critical that federal legislation be flexible enough to recognize that each state usually has specific and unique conditions. As an example, in Alaska, none of our highway system connects directly to any other state, hence, the need for absolute consistency with the southern 48 states should not be a vital concern in achieving transportation improvements in Alaska.

Two-thirds of Alaska's communities are not connected to our state's skeleton highway system, which in turn connects to the southern 48 states only by a 2,500 mile transit through Canada. Alaska owns, operates, and maintains 300 public airports and relies on a marine highway system (ferries) to link many of our remote communities. Even our capital city of Juneau cannot be reached via a surface highway, only by air or by the marine highway system.

In many rural communities local roads are in such poor condition that during spring break-up these communities do not even have basic transportation; i.e., one cannot drive a vehicle, and in some cases even walk, due to knee-deep mud! Alaska is concerned with very basic infrastructure needs; consistency with the southern 48 states is understandably of low priority. We need flexibility to accomplish the construction of basic needs, not to fine tune an existing system as is the case in our sister states.

Yet, we must waste our limited resources worrying about whether we must import crumb rubber to Alaska to comply with a national goal of increasing the use of crumb rubber in asphalt. We truly believe it is more productive for us to focus on locating gravel resources needed to construct a road in a remote village which would get them out of the mud, than the spend limited financial resources importing and grinding up old tires.

We must dedicate 17% of our ISTEA funding in FY94 to pay for ISTEA mandates. In our state, these funds would be far better spent addressing basic transportation needs.

There are several elements of ISTEA, that we firmly believe must be addressed and modified:

#### Motorcycle and Safety Belt Laws

The State of Alaska strongly urges you to bifurcate the requirements for motorcycle helmet and safety belt laws and to repeal the sanctions for failing to enact a mandatory motorcycle helmet law. Although all but 2 states have passed safety belt laws, the majority of states (27) continue to allow motorcycle riders to operate without helmets even under the threat of significantly reduced transportation funding.

This alone should send a strong message that Congress cannot simply mandate changes in personal behavior. Furthermore, we question whether the sanctions are really doing anything at all to increase the safety of motorcycle operators, and whether imposition of these sanctions is being done at the expense of other travelers. The funds being diverted by sanctions cannot be used to construct projects that improve driving conditions and safety for all highway users. In the long run, it's our opinion that these sanctions have an overall negative effect on highway safety.



Like prohibition, the mandatory motorcycle helmet provisions are a shortsighted attempt to regulate personal behavior. They should be repealed, especially since the majority of the states have refused to support legislation of personal behavior even in light of substantial sanctions. The sanctions have failed to achieve the desired result and should be repealed.

#### Metrication

The State of Alaska is concerned about the conversion to the metric system from the English system of measurement. We find that while we are currently converting plans, design standards and other engineering documents to metric, our contractors are essentially forced to convert our plans and drawings back to English units in order to obtain materials from suppliers who manufacture products in English units. Unless industry is forced to convert simultaneously with our efforts, the pseudo-change that will occur is a total waste of public monies. The requirement to change to metric measurements must be accompanied by federal funds to pay for the conversion, public education programs, and to assist and/or require industry to make simultaneous conversion. Failing that, Congress should delay, once again, conversion to metric.

#### Crumb Rubber Asphalt

While FHWA recently granted Alaska some relief from the ISTEA requirement to use crumb rubber in asphalt pavements, Section 1038(d) of ISTEA remains an example of how ISTEA mandates requirements for all states, regardless of whether or not a problem exists in a particular state. What is ridiculous about this requirement in Alaska is that we would have to export our few waste tires to be ground up and then ship back the ground up rubber. In addition, we would have to buy tires from other states and import these to Alaska to meet the requirements of ISTEA.

#### Design Standards

The establishment of uniform national design standards is not supported by Alaska. Design standards developed for states with an existing complete highway system in temperate climates do not translate well to rural settings in arctic and subarctic climates that exist in Alaska. If new standards are adopted, they must be flexible enough to take into account regional differences in climate, soils, availability of materials, functional class, type of traffic, traffic volumes, specific project needs, and use of intermodal facilities. In other words, broad flexible standards.

The development of appropriate design standards should be the responsibility of individual states to the greatest extent possible. Local engineers and planners have the specific knowledge and expertise desired to provide transportation facilities to meet unique demands, especially in Alaska, to fit the arctic and subarctic conditions encountered here.

### NHS Revisions

Alaska opposes any requirement that future modifications to the system be approved by Congress. Traffic patterns continually change to meet the rapidly changing traffic demands of commerce. It should not "take an act of Congress" to add or delete a section of the NHS. The Secretary of Transportation should be permitted to make modifications as needed to meet the ever changing needs of commerce, industry, recreation, and personal needs and desires.

### ISTEA Management Systems

The regulations adopted by U.S. DOT implementing the management systems specified in ISTEA are far more complicated, expensive, time consuming, and labor intensive than necessary. States are required to develop elaborate inventories, processes, and systems merely to satisfy a bureaucratic desire for information. Money spent to develop and maintain these systems would be better spent correcting the problems they purport to quantify, qualify and classify, rather than supporting a computer army.

In Alaska, it is ridiculous to mandate by federal regulation to establish a full blown Safety Management System to apply to each and every rural Alaskan village that is remote from a contiguous highway system, especially since many have fewer than two dozen vehicles, a handful of licensed drivers, and less than 25 miles of road, yet we must comply.

It is also difficult to justify a Public Transit Management System (PTMS) in a rural state such as Alaska. We only have one urbanized area, the Municipality of Anchorage, with a population of approximately 243,000.

Pavement and Bridge management systems do have some practicality, but again, the elaborate systems required by the U.S. DOT federal regulations go far beyond what is required to do the job. Producing reams of paper, computer print outs, and statistics is a non-productive effort as far as solving problems. Alaska had in place working bridge management and pavement management systems prior to ISTEA. It did not take a mandate for our engineering leadership to realize the need for usable and worthy management systems.

### Unfunded Mandates

Executive Order 12875, signed by President Clinton on October 26, 1993, requires the federal government to compensate state governments for complying with federal mandates. Since the transportation system in Alaska is just developing, we must wade through a myriad of federal regulations concerning wetlands, air and water pollution, and other related areas every time we attempt to expand our very primitive road system. Roughly one-half of our state, 170 million acres, is classified as wetlands, which falls into the present administration's no-net loss policy. This puts an unfair burden on

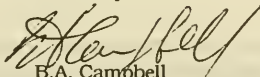
undeveloped Alaska. Clean air and water requirements adopted by the EPA and U.S. Army Corps of Engineers again, just doesn't fit in Alaska. As an example, most of Alaska's rivers contain substantial amounts of glacier silt which occurs naturally. To be required to treat run off to drinking water standards before it can be discharged into a muddy, glacial fed stream is ridiculous in our view, and has a large negative cost benefit ratio.

Temperature inversions which occur frequently in Alaska cause air pollution for short periods of time. These inversions will cause exhausts from cars, home furnaces, airplanes, etc., to be trapped until the inversion lifts. All the sanctions in the world won't change this fact of nature.

Congress should address these issues and make provisions, perhaps in ISTEA, to allow for exceptions. The "one size fits all" just does not work in Alaska, and perhaps other states as well.

Thank you for this opportunity to comment.

Sincerely,



B.A. Campbell  
Commissioner

Testimony before the  
U.S. Senate Environment and Public Works Committee  
The Honorable Max Baucus, Chairman  
by  
Donald E. Forbes, P.E.  
Director  
Oregon Department of Transportation  
June 6, 1994  
Bozeman, Montana

OFFICE OF THE  
DIRECTOR

FILE CODE:

Chairman Baucus, members of the Committee and Secretary Peña: my name is Don Forbes, and I am the Director of the Oregon Department of Transportation. Thank you, Mr. Chairman, for the opportunity to appear before this committee and testify on behalf of the state of Oregon.

Mr. Chairman, in all the testimony heard here today one thing should remain clear above all: ISTEA is working. Oregon applauds this Committee's efforts and its contributions in drafting the Intermodal Surface Transportation Efficiency Act of 1991. But it's clear that although ISTEA still needs some fine-tuning—some refinements—it works. One of the key reasons ISTEA works well is that it allows states and local governments increased flexibility to determine the best transportation solutions—whether transit, rail or highways—to meet local needs. ISTEA's advantages lie in the new emphasis on planning and coordination, and the active participation of transportation stakeholders in making wise development choices.



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ISTEA is allowing Oregon—and especially the Portland MPO area—to implement its vision of an integrated transportation system. We first began developing that vision about 15 years ago by shifting federal funds from two freeway projects to help develop Portland's light rail transit system and improve existing freeways and surface streets to ease traffic congestion.

This innovative approach used a highway-transit solution to resolve the challenge of handling traffic demands from Portland's growing east suburbs. This was so successful that an extension is underway to Portland's west side in order to reduce the need to add lanes to existing highways.

We see ISTEA's flexible funding options as an extension of the "interstate transfer" option that enabled us to make this innovative fund shift 15 years ago. But I'd like to caution that even though we've done similar transfers in the past, it takes time to gear up and implement new programs. First you must have a plan in place and then you need time to develop the process to implement it.

In Oregon, we have an Oregon Transportation Plan, or OTP, which we believe can serve as a national model for long-range transportation plans, as called for by ISTEA. Our OTP outlines Oregon's 20-year vision for the statewide development of all transportation modes. It's the first truly comprehensive transportation document for Oregon. The OTP was adopted by the Oregon Transportation Commission within a year of ISTEA becoming law. We began working on it two years before that.

The OTP sets Oregon's vision for developing an intermodal transportation system, and matches the vision associated with the National Highway System (NHS) and

National Transportation System (NTS). ISTEA, with its flexible funding options, is one of the tools that will help us implement that vision. We can now shift funding to the most appropriate type of solution to solve our transportation problems.

Adopting the proposed NHS is essential to continuing the good work begun under the auspices of ISTEA and is the important first step in developing a National Transportation System. Oregon prepared a position paper on NHS policy priorities which we have presented to Oregon's congressional delegation and other members of Congress. Oregon's NHS policy priorities were agreed upon by members of a broad-based committee formed to develop a list of NHS policy priorities that reflects an Oregon consensus. The committee included representatives of cities, counties, each of Oregon's Metropolitan Planning Organizations (MPOs), transit agencies, ports, user groups, our governor's office and ODOT. Together, we successfully involved significant transportation groups and levels of government in Oregon to achieve unprecedented agreement in a common statement of goals and principals we believe are important to implementing the NHS. Oregon's NHS policy priorities were approved by the state Transportation Commission and forwarded by Governor Barbara Roberts to our congressional delegation prior to House and Senate action on NHS legislation.

Oregon also called together our neighbor states, California and Washington, to discuss state policy priorities for NHS legislation. Working together, we agreed on a West Coast states NHS policy paper, which was presented to our respective congressional delegations in early May. While each state has slightly different needs under the overall NHS framework, all agree that congressional authorization of the NHS should include a general set of policy guidelines. We believe an efficient, cost-

effective, integrated and safe NHS is critical to the economic growth and development of the West Coast states and the nation. We also believe authorization of the NHS is crucial to our nation and the West Coast as we implement the North American Free Trade Agreement (NAFTA) and develop an integrated transportation system between our states and our international neighbors, Canada and Mexico.

The point to remember in all of this is, while each state has its own particular transportation challenges and may view problems and solutions from its own unique viewpoint, we all agree that the NHS should be promptly adopted by Congress in order to carry out the provisions of ISTEA. The wide agreement on this point is evidence of the expected benefits and success of implementing an NHS bill. It also clearly shows that ISTEA has helped the nation's transportation agencies take the first steps toward a new future of improved national mobility and enhanced commerce.

Oregon, together with California and Washington, has urged Congress to adopt the NHS as proposed by the Secretary of Transportation. We therefore support adoption of Senate Bill 1887, with minor modifications. A copy of the Oregon and West Coast States NHS position papers are attached to this testimony for the Committee's record.

Mr. Chairman, and members of the Committee, let me review with you the specific issues Oregon is concerned about as you consider NHS legislation. These include issues advanced by other organizations, such as the Surface Transportation Policy Project (STPP). We met and continue to discuss with STPP a broad range of policy

issues related to the NHS and NTS. We have worked hard with STPP to reach a common ground on issues such as design standards, and continue to discuss with them other issues pertaining to this legislation.

#### 1. DESIGNATING THE NHS SYSTEM--AND SUBSEQUENT REFINEMENTS

As outlined in both the Oregon and West Coast States NHS policy papers, we are opposed to any possible expansion of the proposed NHS beyond the USDOT recommendation, and we strongly oppose arbitrary system downsizing or restricting the NHS to interstate mileage only. We believe the mileage parameters USDOT has used to determine the proposed NHS system properly provide for a focused national system that will provide strategic and critical connections between geographic regions, and which will foster the efficient movement of people and goods as envisioned by ISTEA.

We believe, however, that once adopted, the NHS should not be a static system. There should be ways the NHS designation can be modified to reflect population changes, employment shifts and changing transportation needs, as reflected in your bill, Mr. Chairman, S. 1887.

The proposed NHS should be adopted as a "baseline" system with provisions for future refinements and modifications. We support establishing a formal procedure that would allow states and MPOs to modify the adopted baseline system in conjunction with federal officials, but not require Congressional approval as required in H.R. 4385. This formal NHS redesignation procedure should ensure



MPOs, local governments and the general public have ample opportunities to express their concerns and positions about system modifications. Also, any substantive NHS redesignation should be deferred until after a period of time has elapsed that would permit a reasonable evaluation of the adopted NHS.

## 2. NHS DESIGN STANDARDS

Because the road systems comprising the NHS represent a cross-section of rural and urban roads, interstate design standards should not be applied across all NHS routes. NHS design standards logically should reflect the type of traffic using the route and other circumstances associated with particular projects. We support the flexible application of design standards for NHS components, based on road functional classification, type of traffic using the route and circumstances of specific projects. Environmental, scenic, historic, community and preservation concerns should be integrated into design standards for the NHS. States should have the flexibility to incorporate these concerns.

It is not necessary for Congress to establish new national design standards for the NHS. The development of changes to national design standards should be accomplished through the normal federal rule-making process, with provisions for public participation, where existing authority doesn't exist.

Special consideration should be given to safety in applying design standards for the NHS. Design exceptions also should be developed and permitted for such things as historic preservation, tribal lands, wild and scenic rivers, scenic and other

environmental considerations, and impacts on federal and agricultural lands, so long as the integrity of the transportation system is maintained.

Design responsibility for the NHS should be delegated to the states to the greatest extent possible.

The NHS design standards recommendations developed by Oregon were adopted by the 17-member Western Association of State Highway and Transportation Officials (WASHTO) and American Association of State Highway and Transportation Officials (AASHTO). Oregon's NHS design standard recommendations were subsequently advanced in the House, through the strong efforts of Oregon Representative Peter DeFazio, and are now included in the committee report to H.R. 4385.

I would like to mention an issue concerning highway safety that is not directly related to the NHS legislation, but nonetheless important: the beneficial effects of placing corrugated rumble strips along highways with a high incidence of run-off-the-road accidents. While several states, notably Oregon and Pennsylvania, have experimented with rumble strips with considerable success, it would be my request that this committee direct the Secretary of Transportation to work with state DOTs to assess the utility and effectiveness of rumble strips, and to increase their use where appropriate. Oregon, because of our previous experimentation with rumble strips and continued commitment to increasing highway safety, would be happy to participate in this worthy effort.

### 3 MPO SUBALLOCATION OF NHS FUNDS

Oregon and its West Coast neighbors oppose any special allocation of NHS funds to MPOs. We believe the existing flexibility of ISTEA options already provides ample coordination provisions with MPOs. ISTEA already ensures that NHS funds are invested to the best advantage of the state and also rural and urban areas. We oppose provisions requiring states to dedicate NHS funds in MPO areas equal to MPO populations and to suballocate NHS funds to MPOs with populations of 200,000 or more.

We concur that it is appropriate the MPOs have an important role in selecting MPO-area projects for funding under the NHS. We believe this need was addressed in ISTEA when Congress required states to "cooperate" with MPOs, rather than merely "consult" with them when selecting NHS projects in MPO boundaries. Recent revisions in state and MPO planning regulations further strengthen and reinforce "cooperation" between states and MPOs. The revised planning regulations ensure that states will establish a programming process that includes full, meaningful involvement by MPOs, interested parties and the general public. This is further reinforced by the requirement that state and MPO transportation improvement programs (TIPs) be "financially constrained." The revised regulations require state policies that affect project selection and the level of funding that could be expected to be available in MPOs be fully disclosed and developed with adequate public input.

#### 4. NHS SYSTEM PRESERVATION AND MAINTENANCE

The NHS should make system preservation and maintenance a top priority for use of NHS funds, without imposing arbitrary or fixed percentages. Oregon and other states have billions of dollars invested in roads and bridges. Preservation and maintenance of our existing transportation infrastructure to assure access between and within rural and urban areas has been a top priority since 1919, when Oregon became the first state in the U.S. to adopt a state gas tax to fund construction and maintenance of state highways, roads and bridges. The foremost priority for Oregon's Transportation Improvement Programs has been to maintain existing roads and bridges at a level that will defer reconstruction while enhancing system safety.

While NHS system preservation and maintenance should be each state's top priority, we do not believe it should be the only priority. Safety improvements, capacity expansion and facility upgrading should be allowed when warranted and included within approved transportation plans and improvement programs. Management systems and NHS investments should be linked to ensure proper management and safety of NHS facilities.

#### 5. NHS PROJECT FUNDING FLEXIBILITY

Oregon was a strong supporter of ISTEA provisions allowing states flexibility in programming NHS funds. Due largely to Oregon's initiative and strong Senate leadership, NHS funds may be used for construction and operations improvements

to non-NHS highways, or for construction of transit projects eligible under the Federal Transit Act after meeting special conditions.

While we support and encourage the funding of NHS alternative projects—such as intermodal connections and the need for further clarification on using program funds for intermodal projects—we oppose priorities or set-asides within the NHS program for specific system segments or projects. We strongly believe NHS project selections and priorities are best determined through the coordinated planning processes of the state, local governments and MPOs.

Most of the testimony I have presented is in support of Senate adoption of an NHS bill without substantive changes or adjustments to ISTEA. However, if the Senate chooses to consider ISTEA modifications that directly relate to the NHS, Oregon has two issues we would like considered.

The first is the repeal of existing ISTEA provisions making states that flex NHS funds ineligible to receive highway discretionary program funds. The second is establishing a National Seismic Retrofit Program. Even before the Northridge earthquake in California, Oregon had sent the House a proposal to establish a national seismic retrofit program. Our proposal was based on a recent study identifying \$800 million of seismic retrofitting needs for our state bridges alone.

Mr. Chairman, members of the Committee, the seismic retrofitting needs of the entire NHS are enormous, greatly exceeding the resources of individual states. However, as evidenced by the recent California earthquake, the potential benefits of seismic retrofitting can be just as great. Spans which had been retrofitted withstood

the quake, while adjacent spans not retrofitted collapsed, resulting in injuries, deaths and significant traffic disruption.

Clearly, the realization of Oregon's transportation vision and the development of the National Transportation System requires an enhanced federal-state partnership and fully funded transportation programs. Without federal cooperation and full funding of ISTEA, Oregon's vision for a high speed rail corridor and our Portland light rail system will never reach their full potential.

Oregon embraces and endorses ISTEA, and its provisions to approve a National Highway System as the first step in establishing a National Transportation System. Our Oregon Transportation Plan outlines a state system similar in concept to the NTS. The OTP, as must the NTS, seeks to solve transportation problems by solid planning and investing in intermodal solutions. It goes beyond investing in just highways to include ports, airports, freight and passenger rail, high-speed rail, public transit, intercity bus services, and pedestrian and bicycle paths.

Mr. Chairman, the time for embracing intermodal solutions has come. No longer can we as a state or nation rely primarily on highway-only transportation development—we can no longer build our way out of traffic jams. The cost today is simply too high in terms of livability, protecting our environment and economic competitiveness. It's no longer a question of whether to invest in an intermodal system; it's a matter of how much and how you fund those investments.

Promptly adopting legislation to approve the NTIS will be another step toward realizing the comprehensive new vision of America's transportation future

envisioned in ISTEA. Mr. Chairman, members of the Committee, Oregon urges you to once again act in America's best interest and pass S. 1887 with minor modifications.

Mr. Chairman, members of the Committee, Secretary Peña: thank you once again for the opportunity to express the views of Oregon's transportation coalition here today.

I would be happy to answer any questions you may have at this time.

**ATTACHMENTS:**

- 1) *Oregon Policy Priorities for Legislation Authorizing the National Highway System*—March 16, 1994. Includes endorsements by local governments and transportation stakeholders.
- 2) *West Coast States (Washington, Oregon, and California) Policy Position for Authorization of the National Highway System*—April 1994.
- 3) *The Oregon Transportation Plan—The New Oregon Trail Leading into the 21st Century*—Summary brochure, including a map of the Transportation System by the year 2012 (Preferred System Map).

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TELEPHONE: (503) 378-3111

April 6, 1994

LEG 7

#### OREGON'S CONGRESSIONAL DELEGATION

Enclosed are "Oregon Policy Priorities for Legislation Authorizing the National Highway System (NHS)."

The policy priorities were assembled by the Oregon Department of Transportation (ODOT). They were reviewed, modified and ultimately agreed to by members of broad-based committee formed to develop a list of NHS policy priorities which reflects an Oregon consensus. Committee membership included representatives from my office, cities, counties, each of Oregon's metropolitan planning organizations (MPOs), transit providers, ports, interested transportation parties such as the Oregon chapter of the American Automobile Association (AAA) and Oregon Trucking Association (OTA), and ODOT.

I'm greatly pleased that transportation user groups and every level of government in Oregon have cooperatively arrived at this common statement of goals and principles.

I know you and your staff have your work cut out during the upcoming months. I hope the identification of Oregon's priorities for the NHS will be useful to you during Congressional deliberations of the NHS legislation. We appreciate all your efforts on behalf of transportation in Oregon.

I look forward to working with you to develop the intermodal transportation system envisioned in ISTEAs and the Oregon Transportation Plan. If there is any assistance I can provide, please call.

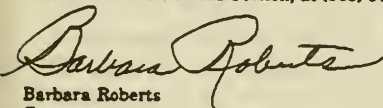


April 6, 1994

Page 2

Included with the policy paper are some letters of endorsement and statements of position from members of the committee. Additional letters of endorsement and statements of position will be sent to you as we receive them from committee members.

If you have questions regarding Oregon policy priorities for the legislation authorizing the NHS, please call Ken Husby, Deputy Director, at (503) 378-6388 or John Rist, Manager Governmental Relations Section, at (503) 378-4012.



Barbara Roberts  
Governor

cc: Committee Members

Don Forbes

Ken Husby

John Rist

**OREGON POLICY PRIORITIES FOR LEGISLATION  
AUTHORIZING THE NATIONAL HIGHWAY SYSTEM  
March 16, 1994**

**BACKGROUND**

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) establishes a new vision for surface transportation in America. Characterized as the most sweeping revision of federal transportation policy in 35 years, ISTEA replaces an emphasis on highway construction with the development of a *"National Intermodal Transportation System that is economically efficient, environmentally sound, provides the foundation for the Nation to compete in the global economy and will move people and goods in an energy efficient manner."*

The backbone of the envisioned national intermodal transportation system is to be provided by an established National Highway System (NHS). Composed of all of the Interstate highways, major arterials and military roads, key corridors designated by Congress and important intermodal connections, the National Highway System *"is to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities, and other major travel destinations, meet defense requirements; and serve interstate and interregional travel."*

The identification and designation of the NHS is an important first step in the development of a national transportation system (NTS) that provides connectivity between modes, connectivity between cities, connectivity between regions, states and nations and balances the efficient movement of people and goods with the promotion of safety, conservation of energy, protection of the environment and improvement of the quality of life. Oregon fully supports the development of a NTS. Our Oregon Transportation Plan (OTP) envisions the development of a state transportation system which provides Oregonians transportation choices, is efficient, provides freight and passenger transportation services that are reliable and accessible to all potential users, is environmentally responsible, provides connectivity among rural and urban areas, provides connectivity among modes and carriers, is safe and is financially stable.

Under provisions of ISTEA, the Secretary of Transportation, after consultation with states and local officials recommended to Congress on December 9, 1993 which highways are of sufficient national importance to be included in the NHS. Congress has until September 30, 1995, to adopt an NHS in authorizing legislation. Until Congress approves legislation authorizing the system, no formal NHS is actually designated. If Congress fails to act within the time frame provided, states will face a termination of all NHS and Interstate maintenance funds.

The establishment of the NHS demonstrates Congressional recognition of the need to clearly define which highways are important enough nationally to merit ongoing federal investment as part of a larger multimodal national transportation system. The procedural requirements associated with establishing the NHS demonstrates Congressional acceptance of the need to carefully and thoughtfully determine which highways are to receive special designation as NHS routes. And they evidence a federal commitment to assuring ongoing participation by local and state officials, interested parties and the general public.

Oregon acknowledges that Congressional authorization of the NHS may be used as an opportunity to make changes and adjustments to ISTEA programs and policies. If Congress were to do so, a separate position paper on that subject will be provided that reflects the views of its signatories.

## OREGON NHS POLICY PRIORITIES

### National Highway System

As envisioned by ISTEA, the NHS will provide the backbone for the development of a NTS. It will be the nation's foremost highway system. It will move people and goods in an energy efficient and environmentally sound manner. The NHS will provide connectivity between modes, assure access between rural and urban areas, and provide connectivity between states and nations.

Oregon urges prompt Congressional adoption of the NHS as proposed by the Secretary of Transportation. We oppose possible expansion of the proposed system beyond the US ODOT recommendation and strongly oppose arbitrary system downsizing or possible restriction to Interstate mileage only. We believe the mileage parameters US DOT used to determine the proposed system properly provide for a focused national system which will provide needed connectivity between geographic regions and will foster the efficient movement of people and goods envisioned by ISTEA.

### NHS Redesignation

Oregon does concur however, that once adopted, the NHS should not be a static system. There needs to be the possibility for some modification to reflect population changes, employment shifts, and changing transportation needs.

We believe the proposed NHS should be adopted as a "baseline" system. We support the establishment of a formalized procedure for enabling states and/or MPOs to modify the adopted baseline system in conjunction with federal officials which would not require Congressional action. This formal procedure should ensure metropolitan planning organizations (MPOs), local governments and the general public are provided ample opportunities to express concerns and positions regarding system modifications. We believe consideration of substantive NHS changes should be deferred until after the NHS has been authorized and a period of time has elapsed which permits a reasonable evaluation of the adopted system.

### **Metropolitan Suballocation of NHS Funds**

Oregon opposes proposals which would require states to dedicate NHS funds in MPO areas equal to MPO populations and to suballocate NHS funds to MPOs with population 200,000 and above. We believe ISTEA already provides ample coordination provisions with MPOs to ensure that NHS funds are invested to the best advantage of the state and rural and urban areas.

We concur that it is appropriate that MPOs have an important role in selecting MPO area projects for funding under the NHS. We believe this need was addressed by Congress by requiring states to "cooperate" with MPOs rather than merely "consult" with them when selecting NHS projects within MPO boundaries. Recently revised state and MPO planning regulations further strengthen and reinforce "cooperation" between states and MPOs. The revised planning regulations ensure states establish a programming process that includes full, meaningful involvement by MPOs, interested parties and the general public. This is intended to ensure that MPO transportation improvement programs (TIPs) be "financially constrained." The revised regulations require state policies that affect project selection, and therefore the level of funding, that could be expected to be available in MPOs be fully disclosed and developed with adequate public input.

One of the welcomed changes in ISTEA was the increased emphasis on the coordination and cooperation between local governments, metropolitan planning organizations and the state in developing transportation plans, programs and policies. Oregon is proud of its long history of coordination and cooperation with local governments and MPOs. ISTEA and planning regulations are currently being followed to the satisfaction of both the State DOT and the MPOs in our state.

### **Priority on System Preservation and Maintenance**

Oregon, as all other states, has billions of dollars invested in its roads and bridges. Preservation and maintenance of our existing transportation infrastructure to assure access between and within rural and urban areas has been a top priority since 1919 when Oregon became the first state in the nation to adopt a state gas tax to fund the construction and maintenance of state highways, roads and bridges. Maintaining existing facilities at a level

that will defer the need for reconstruction and enhance the safety of the system has been established as the foremost priority for state transportation improvement programs. The Oregon Transportation Plan places a management priority on "preserving, maintaining and improving transportation infrastructure and services that are of statewide significance."

Oregon fully accepts that system preservation and maintenance is, and should be, our top priority. However, we do not believe it should be our, or any other states, only priority. Safety improvements should be permitted to take precedence when needed. Capacity expansion and facilities upgrading should be permitted when warranted and included within approved transportation plans and improvement programs. We would like to see a linkage between management systems and investment of NHS funds to ensure proper management and safety of the NHS.

### NHS Design Standards

The road systems comprising the NHS represent a cross-section of rural and urban road types. Oregon opposes the application of Interstate design standards across all NHS routes or the application of a design standard higher than warranted by the type of traffic using the route and other circumstances associated with particular projects. We support the flexible application of design standards for NHS components, based on road functional classification, type of traffic using the route and circumstances of specific projects. Oregon believes that environmental, scenic, historic, community and preservation concerns should be integrated into design standards for the NHS. States should be given the flexibility to incorporate these concerns.

We oppose Congressional establishment of national design standards for the NHS. The development of changes to national design standards should be accomplished through the normal federal rule-making process where existing delegated authority doesn't exist. Ample opportunities should be provided for participation by interested parties and the general public.

We believe special consideration should be given to safety in applying design standards for the NHS. Design exceptions also should be permitted for such things as: historic preservation, tribal lands, wild and scenic rivers, scenic and other environmental considerations, and

impacts on Federal and agricultural lands. Design responsibility should be delegated to states to the greatest extent possible.

### Project Funding Flexibility

Current ISTEA provisions provide ample flexibility in the use of NHS funds. NHS funds can be used for construction and operational improvements to non-NHS highways or construction of transit projects eligible under the Federal Transit Act if: (a) such highway or transit projects are in the same corridor as a fully access-controlled NHS route; (b) the projects improve the level of service on the NHS route; and (c) the off-system highway and transit projects are more cost effective than improvements to the NHS route. A state can transfer up to 50 percent of its NHS funds to its Surface Transportation Program (STP). A state can transfer up to 100 percent of its NHS funds to its STP, if it requests such transfer and the transfer request is approved by the Secretary as being in the public interest, and the Secretary has provided notice and sufficient opportunity for public comment.

Oregon believes existing ISTEA provisions provide sufficient project funding flexibility. While we support and encourage the funding of NHS alternative projects such as intermodal connections and the need for further clarification regarding usage of program funds for intermodal projects, we oppose recommendations that would establish a priority or a set-aside within the NHS program for particular system segments or projects. We believe NHS project selection and prioritization should be determined through the coordinated planning processes of the State, local governments and MPOs.

Oregon is one of many states whose annual share of federal highway authorizations is less than its contribution share to the federal Highway Trust Fund. As a donor state, we are penalized in a subsequent year dollar for dollar for highway discretionary grants awarded to us by the Secretary. Under existing ISTEA provisions, states are not eligible to receive highway discretionary grants if they transfer NHS funds. While we do not intend to pursue discretionary grants which would penalize us, the existing NHS provisions discourage the flexing of NHS funds by donor states who intend to apply for highway discretionary funds.

March 25, 1994

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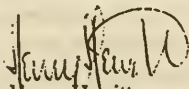
Governor Roberts

On behalf of the Oregon Transportation Commission (OTC), I am happy to advise you of our endorsement and approval of "Oregon Policy Priorities for Legislation Authorizing the National Highway System (NHS)".

We found the policy to be consistent with Commission goals and policies. They support and encourage the development of a national highway system as an important first step in the development of a national transportation system that facilitates the efficient movement of people and goods envisioned in ISTEA and the Oregon Transportation Plan.

The development of Oregon's policy priorities for the NHS by an ad hoc group of interested parties and transportation stakeholders reflects ODOT's commitment to work in cooperation with such groups. The ad hoc group included representatives from your office, Congressman DeFazio's office, cities, counties, each of Oregon's metropolitan planning organizations (MPOs), transit providers, ports, interested transportation parties such as the Oregon chapter of American Automobile Association (AAA) and Oregon Trucking Association (OTA), and ODOT.

If you have any questions regarding Oregon policy priorities for the legislation authorizing the NHS, please call Ken Husby, Deputy Director, at (503) 378 6388 or John Rist, Manager Governmental Relations Section, at (503) 378-4012.



Henry Hewitt  
Chairman

HH:jm

cc: Members of OTC  
Don Forbes  
Ken Husby  
John Rist

PXL1-107234.1 99885 0141



Transportation Building  
Salem, OR 97310



**ROGUE VALLEY  
Council of Governments**

*Transportation Department*

166 N. Monard Street  
P.O. Box 3275  
Central Point, OR 97502

(503) 004-8674, 778-6786  
474-5947, FAX 004-7927

March 8, 1994

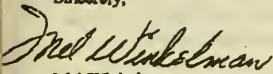
Henry Hewitt, Chairman  
Oregon Transportation Commission  
140 Transportation Building  
Salem, OR 97310-0001

Dear Mr. Hewitt:

The Rogue Valley Metropolitan Policy Committee endorses the content of the Oregon Policy Priorities for Legislation Authorizing the National Highway System. The letter addresses many issues that are key to ensuring timely and effective development of the NHS.

I fully support the collaborative statewide approach. It is impressive that agreement could be reached on such a complex and potentially divisive issue. We appreciate the Commission's effort to help create a solid cooperative relationship between the State, MPOs, and others.

Sincerely,



Mel Winkelman  
MPO Policy Committee, Chair



METRO

March 14, 1994

Mr. Henry H. Hewitt, Chair  
 Oregon Transportation Commission  
 c/o Stoel Rives Boley Jones & Grey  
 900 SW Fifth Avenue  
 Portland, OR 97204-1268

Dear Mr. Hewitt:

ODOT staff has recently developed a proposed Oregon position paper on issues relating to authorization of the National Highway System by Congress. We have reviewed this proposal with the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council Planning Committee. We recommend you adopt this position paper and pursue it with Oregon's Congressional delegation.

We do have two issues that merit further discussion with the working group that ODOT staff has organized.

The first issue deals with the penalty in ISTEA prohibiting donor states from seeking ISTEA discretionary funding if any NHS funds have been flexed to other categories. We feel that this is contradictory to the intent of ISTEA to provide equal treatment for all modes of transportation. As such, we support a change in ISTEA to eliminate this penalty.

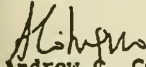
The second issue deals with the intent behind proposals to provide an NHS suballocation to MPO areas. While we support the position paper which advocates against this proposal, we support the underlying intent to ensure states program an appropriate amount of these funds within MPO areas. We find the present relationship between MPOs and the state in Oregon to be quite positive and therefore this suballocation proposal is not needed. This apparently is not the case elsewhere in the country. As such, Oregon should support efforts by the U.S. Department of Transportation to reinforce each state's obligation to work

Mr. Hewitt  
March 14, 1994  
Page 2

closely with their MPOs on programming of all federal transportation funding.

Thank you for organizing development of this position paper and inviting us to participate.

Sincerely,

  
Andrew C. Cotugno  
Planning Director

ACC:lmk

Attachment  
CC: JPACT  
Metro Council

SALEM - KEIZER AREA TRANSPORTATION STUDY

105 HIGH STREET SE, SALEM, OREGON 97301 PHONE (503) 588-6177 FAX (503) 588-6094

March 31, 1994

The Honorable Barbara Roberts  
Governor of the State of Oregon  
State Capital  
Salem, Oregon 97310

Dear Governor Roberts:

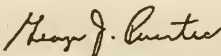
The Metropolitan Planning Organization for the Salem/Keizer Area has provided our support for the National Highway System Position Paper to the Oregon Transportation Commission. This position paper was developed over several hours of discussion and consensus building.

We join in urging Congress to establish the National Highway System in the ISTEA legislation.

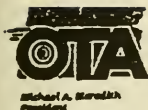
We won't reiterate all of the points of the Position Paper, but we are of concern to the issue of being penalized for successfully completing the program funds.

We look forward to working together on the implementation of the National Highway System program.

Respectfully,



George Puentes, Vice Chair  
SKATS Policy Committee

**OREGON TRUCKING ASSOCIATIONS, INC.**

5940 N. Basin Ave. • Portland, OR 97217 • (503) 289-6888 • FAX (503) 289-6672

March 16, 1994

Oregon Transportation Commission  
135 Transportation Building  
Salem, OR 97310

Dear Transportation Commission members,

The Oregon Trucking Associations is pleased to support the document which outlines Oregon's views regarding the National Highway System legislation. We believe the position paper will serve as an excellent guidepost for our state's congressional representatives as the national debate on the NHS gets underway.

A strong National Highway System is a crucial component of our nation's economy and we are encouraged that the Oregon document places equal emphasis on the importance of safely and efficiently moving people and goods.

We also concur that Congress should adopt NHS legislation as quickly as possible, rather than wait until the September 1995 deadline. Only then can funds for critical transportation projects be allocated.

There is no doubt that the state's final NHS position paper is a stronger document due to the active participation of Oregon's highway users. We hope this signals a new era of inclusion for highway users during future crafting and adoption of Oregon transportation policy.

Sincerely,

Michael A. Meredith  
President & CEO



## Port of Portland

Box 3529, Portland, Oregon 97208  
503/231-5000

April 5, 1994

Mr. Henry H. Hewitt  
Chair  
Oregon Transportation Commission  
c/o Steel River Boley Jones and Gray  
900 S.W. Fifth Avenue  
Portland, OR 97204-1268

Dear Mr. Hewitt: *Henry*

We have participated in reviewing and commenting on a proposed Oregon position paper drafted by Oregon Department of Transportation (ODOT) staff on issues relating to the authorization of the National Highway System (NHS) by Congress. We discussed the proposal with the region's Joint Policy Advisory Committee (JPACT) and can support the position paper. Through this process, however, we have identified an issue of importance to us that did not receive consensus through the development of the policy paper. That is the issue of an intermodal set aside from NHS funds.

While the Intermodal Surface Transportation Efficiency Act (ISTEA) stresses the importance of intermodal transportation, little funding has been made available to states or Metro Planning Organizations (MPOs) for innovative intermodal projects. In fact, intermodal and freight movement projects are at a disadvantage in a review process that still inherently favors traditional highway and transit projects. Further program guidance from the federal level in the area of intermodal improvements is appropriate because efficient freight movement to handle trade and commerce is a primary national concern.

The purpose of the NHS system is to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities. Therefore, a set aside for intermodal projects within this category of funds is appropriate.

For other transportation improvements, a number of set asides already exist for alternative modes; such as transportation enhancement and Congestion Mitigation Air Quality (CMAQ) within the Surface Transportation Program (STP) category. Rehabilitation funds are also set aside for specific components of the transportation system in categories like Highway Bridges Rehabilitation and Replacement (HBRR) for bridges and 3R highways.

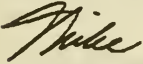
Mr. Henry H. Nevitt

Page 2

April 5, 1994

If we are serious about improving our global competitiveness, some investment in intermodal transportation will be necessary. In our view, an intermodal set aside within the context of the RRS, perhaps for a limited number of years, would get us closer to the national goal of improving intermodal efficiencies and help this state and region compete globally. Accordingly, we plan to continue to support efforts by ports throughout the nation to establish authorization for a set aside or some other device to assure that intermodal transportation project needs are addressed.

Yours very truly,



Mike Thorne  
Executive Director

# LOG Lane Council of Governments

125 East Eighth Avenue Eugene, Oregon 97401 (503) 687-4283 Fax: (503) 687-4099 TDD: (503) 687-4567

May 6, 1994

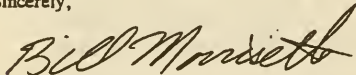
Mr. Henry H. Hewitt, Chair  
Oregon Transportation Commission  
c/o John Rist  
Oregon Department of Transportation  
Transportation Building Rm 405  
Salem OR 97310

Dear Mr. Hewitt:

The Metropolitan Policy Committee (MPC) provides policy guidance on regional transportation issues, adopts the Eugene-Springfield Area Transportation Improvement Program and provides guidance on the development of our region's long range transportation plan. In that capacity, MPC took action on April 14, 1994, to support the Oregon Policy Priorities for the National Highway System (NHS) approved by the Oregon Transportation Commission. MPC appreciates the fact that the Oregon Department of Transportation included staff from Metropolitan Planning Organizations and local government in developing the Oregon Policy Priorities.

MPC supports ISTEAs intent to ensure that the states program an appropriate amount of funds to the NHS within MPO areas. MPC also endorses the "increased emphasis on the coordination and cooperation between local governments, MPO's and the State in developing transportation, plans and policies" as stated in the Oregon Policy Priorities.

Sincerely,



Bill Morrisette, Chair  
Metropolitan Policy Committee

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ASSOCIATION OF OREGON COUNTIES

LOCAL GOVERNMENT CENTER 1201 COURT STREET N.E., P.O. BOX 12729, SALEM, OREGON 97309-0729. (503) 585-8351

May 11, 1994

John Rist, Manager  
Government and Issues Communication  
Department of Transportation  
405 Transportation Building  
Salem, OR 97310

Re: NHS Policy

Dear John:

The Association of Oregon Counties Legislative Committee approved Friday the Oregon Policy Priorities for Legislation Authorizing the National Highway System which recently was adopted by the Oregon Transportation Commission. The AOC Transportation and Parks Committee previously approved the policy statement and recommended its adoption by the Legislative Committee.

Earlier this year our Oregon delegation to Legislative Conference of the National Association of Counties distributed copies of the draft policy to our congressional delegation advising them that ODOT, counties, cities, MPOs and ports were jointly developing the policy. We were recently informed that the Governor sent a copy of the final policy statement to our congressional delegation. We join ODOT and others in urging Congress to establish the National Highway System as set out in the federal transportation act.

We look forward to working with ODOT on the implementation of the NHS as we did with the enactment of ISTEA and as we have done at the state level.

Sincerely,

Bill Penhollow  
Assistant Executive Director

May 3, 1994

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**DEPARTMENT OF  
TRANSPORTATION**

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**OFFICE OF THE  
DIRECTOR****FILE CODE:****LEG 7-4****Congressional Delegations of California,  
Washington, and Oregon**

On behalf of California, Washington and Oregon Departments of Transportation, I am happy to provide you a copy of the West Coast States' policy position for legislation authorizing the National Highway System (NHS). While each of our states has slightly differing needs within the overall NHS framework, we have agreed that authorization of the NHS should follow the enclosed general set of policy guidelines.

The identified NHS policy priorities were cooperatively compiled by staff of our respective departments. They were determined in cooperation and consultation with transportation stakeholders and other interested parties.

We ask you to consider our policy priorities during Congressional deliberations and mark-up of the NHS legislation. We hope you will keep our concerns and recommendations in mind as you draft legislation.

We believe an efficient, cost-effective, integrated and safe NHS is critical to the economic growth and development of our states and the nation. We also believe authorization of the NHS is crucial to our nation and the West Coast as we implement the North American Free Trade Act (NAFTA) and develop an integrated transportation system between our states and neighboring nations.



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**135 Transportation Bldg  
Salem, OR 97310  
(503) 378-6388**

May 3, 1994

Page Two

If you have any questions regarding our NHS policy priorities, please contact James van Loben Sels, Director, or Tom Erwin (916-654-5267), California Department of Transportation; Sid Morrison, Secretary (206-705-7054) or Charles Howard (206-705-7958) Washington Department of Transportation; or John Rist, Manager, Office of Governmental Relations (503-378-4012) or me.

We know that authorization of the NHS will entail a considerable amount of time and effort. If there is any assistance we can provide, please do not hesitate to call. We look forward to working with you in the development of a national intermodal transportation system as envisioned in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991.



Donald E. Forbes  
Director

Enclosures

cc: James van Loben Sels  
Sid Morrison  
Congressional Committee Key Members and Staff  
National Agencies and Organizations  
Interested Parties  
(See Attached Distribution List)

**WEST COAST STATES  
(WASHINGTON, OREGON, AND CALIFORNIA)  
POLICY POSITION FOR AUTHORIZATION OF THE  
NATIONAL HIGHWAY SYSTEM  
April, 1994**

The following items form the policy framework agreed upon by the West Coast States (Washington, Oregon and California) for authorization of the National Highway System (NHS). While each of the States have slightly differing needs within this framework, we agree that authorization of the NHS should follow this general set of guidelines.

**National Highway System Adoption**

- There should be prompt adoption of the NHS as proposed by the Secretary of Transportation. States should be able to move ahead in their planning and programming decisions without fearing the withholding of specified funds in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) should Congress not adopt the NHS on schedule.
- Adoption should occur as currently proposed without modification to the mileage submitted by the Secretary.

**National Highway Redesignation**

- There should be a formalized procedure for modifying the adopted NHS. The process used in identifying the initial system that involved the MPOs, local governments and the general public should be considered.
- Substantive changes to the NHS because of population changes, employment shifts, and changing transportation needs, should be deferred until after the NHS has been authorized and a period of time has elapsed which permits a reasonable evaluation of the adopted system.
- MPOs, Local governments and the general public should be provided ample opportunities to express positions and concerns regarding modifications of the NHS.

**Metropolitan Suballocation of NHS Funds**

- The idea of suballocation is contrary to the flexibility principles espoused in ISTEA.
- ISTEA provides ample coordination provisions with MPOs to ensure that NHS funds are invested to the best advantage of the state and rural and urban areas.

- The adopted planning regulations ensure states must establish a programming process that includes full meaningful involvement by MPOs, interested parties and the general public.
- The requirement that state and MPO transportation improvement programs (TIPs) be financially constrained further reinforces the role of MPOs.

#### **Priority on System Preservation and Maintenance**

- NHS preservation and maintenance should be the top priority for use of NHS funds without arbitrary and fixed percentages, since preservation will not be the only priority, and the priorities will change for each state's needs.
- Safety improvements, capacity expansion, and facility upgrading should be permitted when warranted and included within approved transportation plans and improvement programs.

#### **NHS Design Standards**

- The establishment of new national design standards for the NHS is unnecessary.
- The application of Interstate design standards across all NHS routes or the application of a design standard higher than warranted by the type of traffic using the route are not desirable.
- Sufficient flexibility should be in the design standards to reflect functional class, type of traffic, and specific project needs.
- A design exception should be developed and permitted for such things as historic preservation, scenic and other environmental considerations so long as the integrity of the transportation system is maintained.
- Design responsibility should be delegated to states to the greatest extent possible.

#### **Project Funding Flexibility**

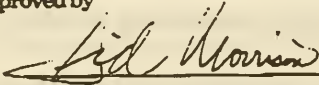
- Existing ISTEA provisions provide sufficient project funding flexibility.
- NHS funds can be used for construction and operational improvements to non-NHS highways or construction of transit projects eligible under the Federal Transit Act after meeting specified conditions.

- A state may transfer up to 50 percent of its NHS funds to its Surface Transportation Program (STP).
- A state can transfer up to 100 percent of its NHS funds to its STP after approval by the Secretary of Transportation.
- NHS project selection and prioritization should be determined through the coordinated planning process of the state, local governments and MPOs through a mutually agreed upon process.

### Summary

- Congressional deliberations to authorize the NHS ought to be limited to just that and not used as an opportunity to consider substantive changes to ISTEA. Adjustments and changes to ISTEA should be considered independent of the authorization of the NHS and deferred until after NHS adoption.

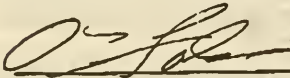
Approved by

  
\_\_\_\_\_

Sid Morrison, Secretary of Transportation  
Washington Department of Transportation

4/22/94

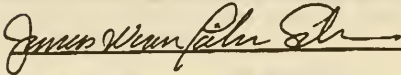
Date

  
\_\_\_\_\_

Donald E. Forbes, Director  
Oregon Department of Transportation

4/19/94

Date

  
\_\_\_\_\_

James W. van Loben Sels, Director  
California Department of Transportation

18 Apr 94

Date

**WEST COAST STATES  
(WASHINGTON, OREGON, AND CALIFORNIA)  
POLICY POSITION FOR AUTHORIZATION OF THE  
NATIONAL HIGHWAY SYSTEM  
April, 1994**

The following items form the policy framework agreed upon by the West Coast States (Washington, Oregon and California) for authorization of the National Highway System (NHS). While each of the States have slightly differing needs within this framework, we agree that authorization of the NHS should follow this general set of guidelines.

**National Highway System Adoption**

- There should be prompt adoption of the NHS as proposed by the Secretary of Transportation. States should be able to move ahead in their planning and programming decisions without fearing the withholding of specified funds in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) should Congress not adopt the NHS on schedule.
- Adoption should occur as currently proposed without modification to the mileage submitted by the Secretary.

**National Highway Redesignation**

- There should be a formalized procedure for modifying the adopted NHS. The process used in identifying the initial system that involved the MPOs, local governments and the general public should be considered.
- Substantive changes to the NHS because of population changes, employment shifts, and changing transportation needs, should be deferred until after the NHS has been authorized and a period of time has elapsed which permits a reasonable evaluation of the adopted system.
- MPOs, Local governments and the general public should be provided ample opportunities to express positions and concerns regarding modifications of the NHS.

**Metropolitan Suballocation of NHS Funds**

- The idea of suballocation is contrary to the flexibility principles espoused in ISTEA.
- ISTEA provides ample coordination provisions with MPOs to ensure that NHS funds are invested to the best advantage of the state and rural and urban areas.

- The adopted planning regulations ensure states must establish a programming process that includes full meaningful involvement by MPOs, interested parties and the general public.
- The requirement that state and MPO transportation improvement programs (TIPs) be financially constrained further reinforces the role of MPOs.

#### **Priority on System Preservation and Maintenance**

- NHS preservation and maintenance should be the top priority for use of NHS funds without arbitrary and fixed percentages, since preservation will not be the only priority, and the priorities will change for each state's needs.
- Safety improvements, capacity expansion, and facility upgrading should be permitted when warranted and included within approved transportation plans and improvement programs.

#### **NHS Design Standards**

- The establishment of new national design standards for the NHS is unnecessary.
- The application of Interstate design standards across all NHS routes or the application of a design standard higher than warranted by the type of traffic using the route are not desirable.
- Sufficient flexibility should be in the design standards to reflect functional class, type of traffic, and specific project needs.
- A design exception should be developed and permitted for such things as historic preservation, scenic and other environmental considerations so long as the integrity of the transportation system is maintained.
- Design responsibility should be delegated to states to the greatest extent possible.

#### **Project Funding Flexibility**

- Existing ISTEA provisions provide sufficient project funding flexibility.
- NHS funds can be used for construction and operational improvements to non-NHS highways or construction of transit projects eligible under the Federal Transit Act after meeting specified conditions.

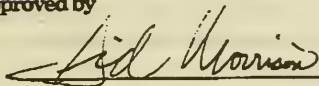


- A state may transfer up to 50 percent of its NHS funds to its Surface Transportation Program (STP).
- A state can transfer up to 100 percent of its NHS funds to its STP after approval by the Secretary of Transportation.
- NHS project selection and prioritization should be determined through the coordinated planning process of the state, local governments and MPOs through a mutually agreed upon process.

### Summary

- Congressional deliberations to authorize the NHS ought to be limited to just that and not used as an opportunity to consider substantive changes to ISTEA. Adjustments and changes to ISTEA should be considered independent of the authorization of the NHS and deferred until after NHS adoption.

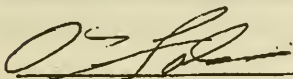
### Approved by



Sid Morrison, Secretary of Transportation  
Washington Department of Transportation

4/22/94

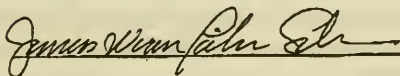
Date



Donald E. Forbes, Director  
Oregon Department of Transportation

4/19/94

Date



James W. van Loben Sels, Director  
California Department of Transportation

18 Apr 94

Date

**Alternative Energy Resources Organization**

25 South Ewing, Suite 214

Helena, MT 59601

Phone: (406) 443-7272 Fax: (406) 442-9120

**Testimony for the Montana Transportation Project before the Senate  
Committee on the Environment and Public Works  
June 9, 1994****RE: the National Highway System**

I appreciate the opportunity to submit written testimony before the committee regarding the National Highway System (NHS) within the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

I am representing the Montana Transportation Project, a network of Montana citizen groups and community leaders who are working to promote alternative transportation systems and more sustainable communities in Montana. The Project is being sponsored by the Alternative Energy Resources Organization based in Helena, Montana.

I would like to highlight a few transportation problems experienced by many Montanans today.

1. There are poor quality roads in parts of rural Montana.
2. Traffic congestion is becoming an increasing problem in many western Montana towns and National Parks and it is getting worse with increasing sprawl-type development.
3. Montana's population growth will compound the land use and quality-of-life conflicts we are already experiencing. Montana is projected to grow by 200,000 people ( a 25% increase) over the next 10 years (US Census).
4. Every state in the US including Montana, knows that bigger roads have not fixed the problems or brought with them the economic riches that proponents like to claim. Common experience has proven over the last 50 years, that larger roads only encourage more driving and increased traffic. This out-dated approach has resulted in creating bigger

problems that road expansions simply cannot fix. We can no longer take the view that we can build our way out of our traffic or economic problems (with bigger roads).

5. We are in a period of government and private down-sizing and many of our local and state agencies do not have the ability to maintain our existing roadways. We must recognize the limitations of federal government support and its long term impacts on the fiscal health of all levels of government.

With these thoughts in mind, I urge this committee to consider these principles for the NHS as it works through its legislation under the ISTEA.

The Montana Transportation Project believes:

- The NHS must be part of the umbrella of a National Transportation System (NTS). Even if the NTS is only a concept, we believe it is in the best interest on the nation to keep focused on moving people and goods, not just motor vehicles. We will be selling out our own future if we sink billions of dollars into larger roads as every other modern county continues to improve and expand alternative modes of travel and freight transport.
- The NHS must compliment and improve intermodal transportation services mandated by ISTEA. It should also help implement the plans and goals that are incorporated in each state's long range plan. The funding and implementation of a new NHS should not side-step or redirect the original intent and goals established in ISTEA.
- The NHS should no longer fund travel lane expansions for greater vehicle capacity. (This should exclude features like turn lanes, passing lanes, road improvements, and safer shoulders.) We quiet literally can no longer afford to build our way our of our congestion problems. We have to change our management systems and definitions of level of service so we can respond to congestion with alternative means of travel. This will require we tackle the much harder question of land use and its effects on traffic, trip generation and demand.
- The NHS should allow for flexible design options that avoid technocratic solutions and allow some level of local creativity in meeting traffic and other modal needs. These articles of flexibility should contain;
  1. Local control of projects with citizen involvement in the earliest stages of design. People should have the right to determine the scope, goals and problem statement of

projects long before engineers design their "concrete solutions". Citizens should be able to directly influence the design and the outcome of projects from intermodal facilities to speed limits.

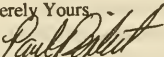
2. Safety features for all modes of travel. This should include road access limitations, speed limits and elements of "traffic calming" in communities so the NHS can actually enhance the communities they pass through not just pave a solution.

• Lastly, the NHS should improve the livability of the communities they serve. The NHS should allow for flexible funding so that it can meet the greatest number of local needs possible. We must recognize that roads have a major affect on our quality of life and the economy and character of our towns. The elements which make Montana communities such nice places to live should not be compromised by the NHS or by inflexible mandates from Congress.

We have an opportunity to use our transportation system to strengthen the fabric of our communities. We can have safer and better roads without further degrading the character and livability that make our towns unique and desirable. We can have the economic development so many are looking for, but we can direct it in ways that reduce traffic demand and improve the vitality of our existing communities.

I encourage the committee to consider these ideas and concepts in its future deliberations of the NHS. Thanks you for letting the Montana Transportation Project share its views on this important subject.

Sincerely Yours,



Paul Reichert

AERO staff for the Montana Transportation Project



## MONTANA CHAMBER OF COMMERCE

P O BOX 1730

• HELENA, MONTANA 59624

• PHONE 442-2405

June 7, 1994

The Honorable Max Baucus  
U.S. Senate  
SH-511 Hart Senate Office Building  
Washington, DC 20510-2602

Dear Senator Baucus:

Please accept our appreciation for your participation in the recent Montana Chamber Business Roundtable held in Missoula. As in previous forums of this nature, a good audience composed of representatives from different businesses in the region turned out for questions and the opportunity to meet with you. We stand ready in the future to help coordinate similar Roundtable meetings at times and locations you and your staff deem appropriate.

We also want to take this opportunity to thank you for extending to the Chamber an invitation to testify before the Senate Environment and Public Works Committee in Bozeman earlier this week. Both the Chamber and the Rocky Mountain Trade Corridor, who testified on our behalf, strongly support the National Highway System bill you have sponsored. As indicated in our testimony, copy enclosed, NHS has enormous implications for Montana, the region and the nation.

May we also extend our thanks and appreciation to Kathy Ruffalo, U.S. Senate Committee on Environment and Public Works, for her timely assistance and help in making it possible for us to express our views on NHS.

The Chamber and its many members across Montana appreciate the work you are doing to open the discussion on Health Care reform and to pass this year an unencumbered NHS bill.

Sincerely,

A handwritten signature in black ink, appearing to read "David Owen", written over a horizontal line.

David Owen  
President

c/c Kathy Ruffalo, United States Senate, Committee on Environment  
and Public Works, 505 Hart Senate Building,  
Washington, DC 20501-8175

## MULTI-STATE HIGHWAY TRANSPORTATION AGREEMENT

*Created by statute and dedicated to the safe, efficient movement of people and goods.*

Arizona California Colorado Idaho Montana Nevada Oregon Utah Washington Wyoming

Chairman  
Lela Steffey  
AZ House of RepresentativesChairman-Elect  
Michael G. Waddoups  
Ut House of RepresentativesVice-Chairman  
David Berry  
Swift TransportationSecretary-Treasurer  
Sharon Nichols  
Western Highway InstituteConsultant  
G. Robert Lucas  
GRI Associates

May 30, 1994

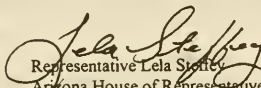
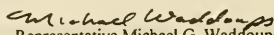
The Honorable Max Baucus  
U.S. Senate  
511 Hart Senate Office Bldg.  
Washington, DC 20510

Dear Senator Baucus:

We are aware of your June 6th Public Hearing on the proposed National Highway System in Bozeman, Montana. As time permitted only a few specific individuals to testify, we offer the enclosed brief, as our written testimony of the positive impact NHS will have on our nation. Please enter this as our MHTA official testimony at your June 6th Public Hearing.

Thank you for your strong support of our National Highway System.

Sincerely,

  
Representative Lela Steffey  
Arizona House of Representatives  
Chairman, MHTA  
Representative Michael G. Waddoups  
Utah House of Representatives  
Chairman-Elect, MHTA

Enclosure

cc: Office of Senator Baucus  
202 Fratt Building  
2817 2nd Avenue N  
Billings, MT 59101

**MULTI-STATE HIGHWAY TRANSPORTATION AGREEMENT  
TESTIMONY TO THE  
U.S. COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
JUNE 6, 1994  
BOZEMAN, MONTANA**

Thank you Chairman Baucus and Senators for the opportunity to express the views of our Multi-State Highway Transportation Agreement (MHTA) organization on this vitally important National Highway System issue.

The Multi-State Highway Transportation Agreement (MHTA) is a state sanctioned organization of Western States composed of State Legislators, government administrators, enforcement officers, research representatives and private sector executives. MHTA is established by Statute in Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming. MHTA was established in 1975 to resolve mutual transportation problems unique to the Western States, provide input to federal discussions in the West, promote a safe, productive and efficient use of our Western Highway Transportation System, promote the uniformity of Western States Laws and provide a forum for state legislators, government administrators and industry executives to identify, discuss and resolve mutual regional problems. Major accomplishments of MHTA have been: 1) Drafted and passed legislation authorizing Joint Ports of Entry; 2) Actively promoted the CVSA; 3) Established Joint Ports of Entry--- Utah-Wyoming; Utah-Arizona; 4) Promoted development of weighing in motion systems; 5) Conducted two studies on the safety and use of Longer Combination Vehicles (LCV's); 6) Conducted three regional wide Hazardous Materials Seminars; 7) Conducted regional seminars on safety, education, drug testing, licensing, registration and LCV operations; 8) Developed, with WASHTO, standard definitions and descriptions of vehicles for legal operations on Western Highways; 9) Promoted the education of legislators and governmental officials on the mutual problems of highway transportation; 10) Conducted educational regional seminar on NAFTA; 11) Promoted uniformity of western states laws; and 12) Communicated the true transportation needs of the West to the Federal Government.

MHTA has never mandated changes in transportation or vehicle safety by any state. Instead, we seek to preserve the freedom to address concerns unique to the West and to provide joint solutions by those state legislators, government officials and industry representatives

Each of our ten Western states in passing by statute, the mission and scope of our western multi-state organization committed with purpose, our joint efforts to provide for economic vitality, road safety conditions, and mutual benefits for the efficient movement of motorists and of freight, and to secure a bond to retain the lifeline of both urban and rural America, inclusive of the West--our National Road System.

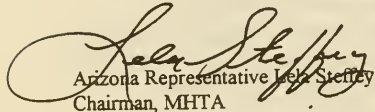
The importance of the immediate passage of this country's National Highway System is crucial to achieve the creditability of the North American community that the United States is serious about funding both International Trade Routes and those designated corridors as recommended by the 50 State Departments of Transportation and confirmed by the Federal Highway Administration. Passage of NHS this year will provide an economic stimulus to this nation's business community, to commerce and industry in every state, and will aid greatly to alleviate unemployment. Furthermore, NHS passage will insure safer roadways to reduce medical costs, needless deaths and injuries, and unnecessary accidents. It will improve reliable access to expanded labor and supplier markets making this nation more competitive economically and will complete the intention of the Congress, given in the 1991 ISTEA legislation, to provide for a comprehensive national transportation system. The National Highway System will provide the foundation--the very cornerstone on which to build the remainder of our U.S. transportation infrastructure. The quicker NHS is approved, the sooner we can begin to build the rest of the system.


MHTA recognizes the multiple priorities of the U.S. Senate and the administration during this session. There is no other legislation that is before your committee and the U.S. Senate currently, that has less controversy, greater positive impact, and guaranteed results for the economic and social welfare of Americans throughout this nation.

On behalf of our MHTA organization, we respectfully urge you and your colleagues to take immediate action to approve the National Highway System from your Committee, and continue the momentum to favorably confirm it on the Senate floor.

Thank you for this opportunity to express our views on the vitally important issue.

Sincerely,

  
Arizona Representative Lela Steffey  
Chairman, MHTA

  
Utah Representative Michael Waddoups  
Chairman-Elect, MHTA



## TRANSPORTATION USERS LEADERSHIP ALLIANCE

*"Transportation—The Engine That Drives Our Economy"*  
 U.S. Representative Norman Y. Mineta, November 12, 1993  
 Chairman, U.S. House of Representatives Public Works & Transportation Committee

Historical Chairman  
 Norman Y. Mineta  
 U.S. Representative  
 15th District, California

Chairman  
 Dan McCorquodale  
 California Senator

Vice Chairman  
 David R. Free  
 President  
 U-W Freight Lines, Inc.  
 Salt Lake City, UT

Secretary  
 Katie Dusenberry  
 Vice President  
 Horizon Moving Systems  
 Tucson, AZ

Treasurer  
 Phillip T. Henderson  
 Executive Director  
 Employers Association  
 of Southern Nevada  
 Las Vegas, NV

Directors  
 Haven Barlow  
 Utah Senator  
 David Berry  
 Swift Transportation  
 Joe Castille  
 JAC Associates  
 Arnold Christensen  
 Utah Senator  
 Gary Coffey  
 Giff Enterprises  
 Bill Knox  
 United Parcel Service  
 Brad Larson  
 Tascor Construction  
 Gordon Luis  
 Boyle Engineering  
 Jim Mariens  
 California Dump Truck Owners Assn.  
 Gary Milliken  
 Denny Weidle & Assoc.  
 Joe Polizzi  
 United Parcel Service  
 Diane Rhoads  
 Nevada Senator  
 George Rios  
 ARCO  
 Ted Scott  
 American Trucking Assn.  
 Terry Smalley  
 Arizona Motor Transport Assn.  
 Andy Schlafli  
 Urban Systems Associates, Inc.  
 Luke Steffy  
 Arizona House of Representatives  
 Gerry Tedrow  
 Western Petroleum Marketers Assn.  
 John Vergels  
 University of Nevada

Consultant  
 G. Robert Lutz  
 GHL Associates

May 27, 1994

The Honorable Max Baucus, Chairman  
 Senate Environment and Public Works Committee  
 U.S. Senate  
 Washington, D.C. 20510

Dear Senator Baucus:

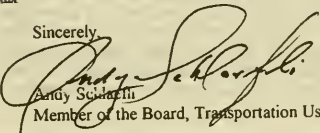
We very much appreciate and support your efforts to seek public input and early approval of the National Highway System (NHS). We would therefore, like to offer the enclosed testimony on behalf of the Transportation Users Leadership Alliance members and our Honorary Chairman, Representative Norm Mineta.

Our alliance was formed early this year and represents the states of Arizona, California, Nevada and Utah. We are expecting the states of New Mexico and Texas to join our alliance later this year.

Please enter the enclosed testimony into the record at your hearing in Bozeman, Montana on June 6th.

Thank you for your continuing support of the National Highway System.

Sincerely,

  
 Andy Schaffli

Member of the Board, Transportation Users Leadership Alliance

cc: TULA Board Members

ARIZONA OFFICE  
 5133 North Central, #109  
 Phoenix, AZ 85012  
 (602)266-6523  
 Fax 266-6667

CALIFORNIA OFFICE  
 4540 Kenney Villa Road, #106  
 San Diego, CA 92123  
 (619)560-4911  
 TULA/NHSTULA Fax 560-9734

NEVADA OFFICE  
 2303 E. Sahara Ave  
 Las Vegas, NV 89104  
 (702)457-6556  
 Fax 457-1965

UTAH OFFICE  
 531 South State Street  
 Salt Lake City, UT 84111  
 (801)521-6111  
 Fax 297-7115

## TRANSPORTATION USERS LEADERSHIP ALLIANCE

5133 NORTH CENTRAL AVENUE, SUITE 109

PHOENIX, ARIZONA 85012

(602) 266-6521 FAX (602) 266-6667

*"Transportation—The Engine That Drives Our Economy"*

*U.S. Representative Norman Y. Mineta, November 12, 1993*

*Chairman, U.S. House of Representatives Public Works and Transportation Committee*

### Nominee Chairman

*Norman Y. Mineta*  
U.S. Representative

### Chairman

*Don McCarquodale*  
California Senator

### Vice Chairman

*David R. Free*  
President  
U-W Freight Lines, Inc.

### Secretary

*Kate Dunsberry*  
Vice President  
Horizon Moving Systems

### Treasurer

*Philip T. Henderson*  
Executive Director  
Employers Association  
of Southern Nevada

### Executive Director

*G. Robert Luce*  
GRL Associates

### *Testimony In Support of the National Highway System by the*

*Transportation Users Leadership Alliance  
(Arizona, California, Nevada, Utah)*

Senator Baucus and Members of the Environment and Public Works committee: You are set to begin debate on legislation that is crucial to the economic future of America. The U.S. House of Representatives has concluded hearings and approved the National Highway System (NHS). Despite its importance, we are concerned that the NHS may not make the same headway and headlines as health care reform and crime. Most people don't know or may not care about the NHS because they take our highway system for granted. But, with the devastation of last January's earthquake, commuters in Los Angeles don't feel that way anymore!

What happened in Los Angeles could have been prevented! Remember those dramatic TV pictures of the bridges destroyed in the earthquake? Officials testified shortly after the earthquake that work on the shoring of bridges had stopped. Part of the reason was that voters turned down a transportation bond issue in 1992. Another reason was the long running trend to defer highway spending.

To correct the problem, in 1991 and under the leadership of California Representative Norm Mineta, Congress enacted sweeping reforms in the nation's surface transportation programs. Amid great fanfare, Congress promised \$4.4 billion more in highway funding than it has actually delivered in the past three years. Last year the U.S. Department of Transportation reported that governments need to spend \$56.1 billion just to maintain highways and bridges in their current condition. Yet in 1992 (the last year for which such data are available) public budgets provided only \$38.7 billion. Today the highway account in the Highway Trust Fund has an \$11 billion surplus. Those funds could and should be spent on highways, now!

Amid earthquake and other natural disasters and the immediate need for road repair, opportunists are already suggesting ways to divert highway trust funds for other purposes. They say that states are too dependent on highways and that bike paths, light-rail lines and other modes of transportation should be funded instead. Obviously, a total transportation system should include whatever transportation facilities that local taxpayers will use and fund. But that should not be done at the expense of the Highway Trust Fund whose monies come from trucking and motorist user fees.

WAKEUP/CHUC

You can see to it that the nation's highways continue to keep the American economy strong and allow people freedom of movement by designating and fully funding the NHS. If passed by Congress, the NHS would designate 160,000 miles of the nation's busiest highways for major upgrading and it would commit \$6.5 billion a year for the project through 1997. The NHS will serve major transportation centers, ports and airports, mass transit centers, major travel destinations and international border crossings. Our NHS will carry 40 percent of all highway traffic and 75 percent of heavy truck traffic -- all that on only 4 percent of the nation's roads that would be a part of the NHS.

NAFTA related businesses and new jobs will spur our suffering economy. Spending available money on our most important highways will cut congestion that wastes \$1 billion a year in eight of our nation's largest cities. It would create jobs, lower transportation costs, make our goods more competitive in the global economy and cut highway fatalities by an estimated 8 percent in 10 years. Using highway funds to rebuild Los Angeles would help get them moving again and the NHS will move state's economies throughout our nation into the 21st century.

Therefore, we urge that your committee take the lead in fixing the economy by expediting Senate approval of the National Highway System.

WAKEUP/CHUC



Sharon D. Nichols / EXECUTIVE DIRECTOR

June 13, 1994

The Honorable Max Baucus  
United States Senate  
Senate Dirksen Building  
1st & C Sts., NE  
Washington, DC 20510

Dear Senator Baucus:

I am pleased to submit this statement to the record on the National Highway System legislation hearing which you held in Bozeman, Montana on June 6, 1994.

The Western Highway Institute is a non-profit research organization which has pioneered in size and weight research as well as developing tax policy. In our forty-eight year history, we have worked with the state and federal governments in both the United States and Western Canada, as well as the motor carrier industry to develop a transportation system which is the envy of the world.

The National Highway System is of extreme importance to the western trucking industry and to the industries it serves.

With my sincere regards,

A handwritten signature in cursive script that reads "Sharon D. Nichols".

Sharon D. Nichols  
Executive Director

Enclosure

cc: The Honorable Alan K. Simpson

**Casper, WY 82601**

400 East First Street • Suite 205E  
(P.O. Box 9472 Casper, WY 82609)  
307/577-1225 Fax 307/577-1716

**Denver, CO 80216**

4060 Elati Street  
303/433-3411  
Fax 303/477-6977

**San Bruno, CA 94066**

1200 Bayhill Drive  
415/952-4900  
Fax 415/588-0424

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1887

To amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 3 (legislative day, FEBRUARY 22), 1994

Mr. BAUCUS (for himself, Mr. MOYNIHAN, Mr. REID, Mr. WOFFORD, Mr. WARNER, Mr. DURENBERGER, Mr. LAUTENBERG, and Mr. GRAHAM) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

---

## A BILL

To amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Highway  
5 System Designation Act of 1994”.

6 **SEC. 2. NATIONAL HIGHWAY SYSTEM DESIGNATION.**

7 Section 103 of title 23, United States Code, is  
8 amended by inserting after subsection (b) the following  
9 new subsection:

1       “(c) NATIONAL HIGHWAY SYSTEM DESIGNATION.—

2               “(1) DESIGNATION.—The most recent National  
3 Highway System as submitted by the Secretary of  
4 Transportation pursuant to this section is hereby  
5 designated to be the National Highway System.

6               “(2) MODIFICATIONS.—

7                       “(A) IN GENERAL.—At the request of a  
8 State, the Secretary may—

9                               “(i) add a new route segment to the  
10 National Highway System, including a new  
11 intermodal connection; or

12                               “(ii) delete a then existing route seg-  
13 ment and any connection to the route seg-  
14 ment,

15 if the total mileage of the National Highway  
16 System (including any route segment or connec-  
17 tion proposed to be added under this subpara-  
18 graph) does not exceed 165,000 miles (265,542  
19 kilometers).

20                       “(B) PROCEDURES FOR CHANGES RE-  
21 QUESTED BY STATES.—Each State that makes  
22 a request for a change in the National Highway  
23 System pursuant to subparagraph (A) shall es-  
24 tablish that each change in a route segment or  
25 connection referred to in such subparagraph

1 has been identified by the State, in cooperation  
2 with local officials, pursuant to applicable  
3 transportation planning activities for metropoli-  
4 tan areas carried out under section 134 and  
5 statewide planning processes carried out under  
6 section 135.

7 “(3) APPROVAL BY THE SECRETARY.—The Sec-  
8 retary may approve a request made by a State for  
9 a change in the National Highway System pursuant  
10 to paragraph (2) if the Secretary determines that  
11 the change—

12 “(A) meets the criteria established for the  
13 National Highway System under this title; and

14 “(B) enhances the national transportation  
15 characteristics of the National Highway  
16 System.”.

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# HEARING ON THE DESIGNATION OF THE NATIONAL HIGHWAY SYSTEM

FRIDAY, JULY 15, 1994

U.S. SENATE,  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:30 a.m. in room 406, Dirksen Senate Office Building, Hon. Max Baucus [chairman of the committee] presiding.

Present: Senators Baucus, Kempthorne, Lautenberg, Simpson, Reid and Warner.

## OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. This meeting will come to order. I welcome everyone attending this hearing. I appreciate your attendance and your participation. I want to particularly thank Secretary Peña for his time and effort and his dedication, as well as Administrator Rodney Slater for his as well. You both have been working very diligently on transportation issues and highway issues, and the committee very much appreciates the time and attention that you've spent. I know too that you, Mr. Secretary and Mr. Administrator, must leave quite early in view of your flying South, and I will make every accommodation to help you make your plane so that you can attend to your duties there, and I want you to know that I very much respect what you're doing there as well.

When Congress passed the intermodal Surface Transportation and Efficiency Act, known as ISTEA, in 1991 there was a recognition that we were moving out of the interstate era and into the National Highway System era. ISTEA requires Congress, within the next 16 months, to approve this successor to the interstate, the NHS. The National Highway System, in brief, is the network of critical roads that carry the bulk of our commerce. State governments have cooperated with us in developing it by identifying more than 150,000 miles of roads as the background of our transportation system. These roads make up only 4 percent of the nearly 4 million miles of our public roads. As time passes, they will carry over 40 percent of the highway traffic and 70 percent of commercial truck traffic.

Given the shortage of Federal funds, we need to use what funds we have to maintain and improve the most important roads. So by identifying the NHS routes, States will help themselves target their money to make sure that highways that get the most use are also the safest and most efficient.

This is exactly what we need to do to stay competitive. The National Highway System's importance to a successful NAFTA is one obvious example as almost three-fifths of the U.S.-Canada freight and four-fifths of the U.S.-Mexico freight moves by truck. If we let them decline, we lose much of what we hoped to get through NAFTA last year. The National Highway System is especially vital to rural areas of our country, areas where highways are the only method of transportation, and while we can no longer afford to view our transportation system as a collection of unconnected rail, water and road networks, we also need to keep focus on the needs of rural America.

For western States like Montana, immediate attention to the National Highway System is crucial because we have no alternative to roads. We do not have mass transit and water transport systems that a lot of other States depend on. We never will have them because we are a large State with no big cities, and because we are a rural State, highways are critical to our economy, our way of life and the travel and tourism revenue that we depend upon.

I must say that I am continually dismayed by the lack of understanding of rural issues by people inside the Beltway. Let me give you an example: Earlier this month, a hearing by the National Commission on Intermodal Transportation had been scheduled for Butte, MT. The hearing was canceled, in part due to concern on the part of two members of the Commission about flying in the 20 passenger jets that service the Butte Airport. For the life of me I couldn't figure out why in the world they wouldn't want to come to Montana in the summer. You would think they would want to come to Montana in the summer, and I was starting to think that I would probably have to drive them to Butte.

Well, the Commission has subsequently changed their minds. We now have a hearing scheduled after the Commission saw the wisdom of changing its mind, and they now realize that they cannot learn about rural transportation issues by holding hearings only in Los Angeles, New York, or Boston. The Commission is to make recommendations to Congress and the President regarding what our country's transportation priorities should be as we enter the 21st century. This report cannot be complete unless they have adequately addressed the transportation needs of urban and rural areas of America. This is a very diverse country, and any transportation policy must recognize both urban and rural transportation needs.

All of these ideas are at the heart of the bill that I introduced last March, the National Highway System Designation Act of 1994. The National Highway System bill is very important to me. I want to see it passed this year, and I want to see us meet our deadline for identifying the NHS roads. This bill is in the national interest. It means jobs, it means growth. Everyone needs to understand that failure to pass the NHS bill by September 30, 1995 would mean a loss to the States of \$6.5 billion. This translates into the loss of hundreds of thousands of jobs. Congress needs to live up to its responsibilities and pass the NHS before the deadline. Today's hearing will be the last on the NHS. It is my intention to mark up this bill prior to the August recess, but I stress to everyone that it will be a clean bill. In order for Congress to enact this legislation before

the 1988 deadline; we cannot afford to get tangled up in other controversial issues. I realize that members have other transportation related matters of importance to them, matters unrelated to designation of the NHS. I intend to hold an oversight hearing in September to hear testimony on these issues, but the NHS designation bill is not the vehicle for making changes to ISTEA.

I look forward to hearing from all of the witnesses. We have a full agenda, and I think we all agree that a strong National Highway System can serve as a first step for future transportation policies.

Before we turn to the witnesses, I would like to turn to our esteemed colleague from Idaho, Senator Kempthorne, for any statement that he might have.

#### OPENING STATEMENT OF HON. DIRK KEMPTHORNE, U.S. SENATOR FROM THE STATE OF IDAHO

Senator KEMPTHORNE. Mr. Chairman, thank you very much, and I speak today in strong support of the National Highway System Designation Act. This designation and the accompanying funding is, as you have stated, Mr. Chairman, critical to our Nation's ability to identify, maintain, and expand our existing transportation infrastructure.

There is, however, a critical issue related to this legislation that is not addressed in the Senate bill at this time, and this issue is the funding for the National Recreation Trails Trust Fund, and I know that we've talked about this before. This program was approved in 1991, but although the money for the program is generated by Federal gasoline taxes paid on motorized recreation vehicles, the funding for the trails program has never reached the originally authorized levels. The program which was intended to be funded at a level of \$30 million a year has received a total of only \$7.5 million, and that was in 1993. There is hope, however, for funding in fiscal year 1995. In the House companion bill, H.R. 4385, Section 117(f), provides authorization for appropriations out of the Highway Trust Fund of \$6 million for the National Recreation Trails Trust Fund. While this amount falls short of the funding level envisioned by the original authors of the Act, it will provide sorely needed monies for the enhancement and maintenance of our recreational trails.

I strongly request, Mr. Chairman, that the Senate conferees will be supportive of this measure, and I think that if we can get that sort of assurance, then there is no need to do anything to the bill with the version that you have. I think this is very important—and I think too in discussions with you, Mr. Chairman, you're in agreement with this—I think if we can enhance these recreation trails, we may see more of these commissioners come out to the West. They will be able to get there.

And so in your comments, Secretary Peña and Mr. Slater, perhaps you could just address this issue for me.

Senator BAUCUS. Thank you very much, Senator.

I might say that there will be a couple of opportunities to deal with amendments to ISTEA. As I mentioned in my statement, I intend to hold oversight hearings on ISTEA in September. There could very well be a technical bill, an ISTEA technical correction

bill, which could be an opportunity to deal with some ISTEA issues. I, however, believe that fundamental changes to ISTEA should not be made in midstream. The fundamental changes should be made only when the Congress goes back and reauthorizes the Intermodal Transportation System, the whole ISTEA program.

With respect to the issues that you've raised and other Senators have raised—and they're all very legitimate—there will be, I'm quite certain, an opportunity to deal with those when we take up oversight hearings in September, as well as the potential technical corrections bill, which I think in all probability makes good sense to check it out.

Senator KEMPTHORNE. And, Mr. Chairman, just to reiterate, the House in its version does contain the appropriations so I think that if the Senate would just be supportive of the House action.

Senator BAUCUS. I appreciate that, thank you.

Senator Lautenberg?

**OPENING STATEMENT OF HON. FRANK R. LAUTENBERG, U.S.  
SENATOR FROM THE STATE OF NEW JERSEY**

Senator LAUTENBERG. Thank you very much, Mr. Chairman. My compliments for getting the ball rolling on this.

I agree with you. If we entertain technical corrections to ISTEA, we'll find ourselves thwarting the attempt to get the National Highway System bill into place. The National Highway System will make eligible for Federal assistance those roads which States have included in the highway maps forwarded to the U.S. Department of Transportation pursuant to ISTEA. Should we approve the bill before the committee we'll be ratifying the priorities that our States have set for highway enhancements.

Thank you.

Senator BAUCUS. Thank you very much, Senator. In your capacity as Chairman of the Transportation Subcommittee, I very much appreciate your views that we should pass a clean bill and get on with it and not approve all these demonstration projects. I thank you.

Senator Simpson?

**OPENING STATEMENT OF HON. ALAN K. SIMPSON, U.S.  
SENATOR FROM THE STATE OF WYOMING**

Senator SIMPSON. I have a statement, which I will put in the record, in which I address the issue of crumb rubber.

Senator BAUCUS. Crumb rubber?

Senator SIMPSON. Crumb rubber; so that we can keep from stacking old tires all over. I think there are some alternative methods in connection with crumb rubber.

Senator BAUCUS. I think there are alternatives to it. I'm sympathetic to it.

Senator SIMPSON. I know that you really are sympathetic, and you'll do everything in your power to assist. Is that correct?

Senator BAUCUS. Everything to assist.

[Senator Simpson's statement follows:]

## STATEMENT OF HON. ALAN K. SIMPSON, U.S. SENATOR FROM THE STATE OF WYOMING

Mr. Chairman, I share the concerns that our able Chairman has expressed about keeping the NHS bill "clean". It is very unfortunate, in my view, that legislation such as this tends to become a powerful magnet for spending projects. The magnetic attraction increases greatly in election years, and the House bill is an excellent example of that scientific "phenomenon".

So I commend our chairman and our ranking member on their dedication and determination to keep this NHS bill "clean". I will support those efforts.

There is, however, an issue looming "out there" that deserves some brief comment.

I refer to the Highway Bill (ISTEA) mandate on crumb rubber.

I was under the impression, until recently, that when the Chairman called for a "clean bill", that he was speaking with reference to demonstration projects. I had intended—and I am still giving strong consideration—to offer an amendment to change the ISTEA mandate on crumb rubber use.

The amendment I am considering would allow alternative, highway-related, uses to count against the 20 percent crumb rubber use that is mandated in ISTEA (the Highway bill).

I am aware of the compromise reached on that issue in the House, and I am prepared to support that. The House has extended the time to comply with the mandate and has allowed these "alternative uses" for crumb rubber to count towards compliance. I think that is wise.

It is my view that if we seriously want to create an atmosphere to encourage recycling of used tires, that we should allow a broad range of uses for those recycled products. That is a "win-win" situation: we recycle more tires and we find more uses for those products. It is certainly a great improvement over the current situation, which is simply filling landfills with old tires.

I truly intend to support my fine ranking member and chairman in keeping this a "clean bill". However, I also quite sincerely believe that the crumb rubber issue should be addressed during this session of Congress. To my knowledge, there are only two likely legislative vehicles available to address this issue: the NHS bill and the Department of Transportation Appropriations bill. I know that many members of this committee are looking at this issue. I would simply ask that they work closely with me on this during the weeks ahead and that our Chairman give very serious consideration to making it a priority to address this issue this session of Congress.

Certainly if we wait another year, the only thing we will have to show for that will be another year's worth of scrap tires cluttering up our landfills.

Finally, Mr. Chairman, I would address one point directly related to the NHS bill.

I will be unable to remain during the entirety of this hearing, since the Judiciary Committee, upon which I also serve, is conducting the confirmation hearings for Judge Breyer. That is a responsibility that I must certainly attend to.

I will be reviewing in some detail the printed testimony that has been circulated.

As you have stated, Mr. Chairman, the NHS routes have been developed cooperatively, between the Department of Transportation and the various State agencies responsible for the highways in our States. There are routes that were not included in the NHS in Wyoming that our State would like to have added.

I know that our fine State director, Don Diller, is still working with the Federal Highway Administration on those particular routes. I would ask Mr. Slater to go into some detail as he testifies today, and explain the various criteria that are used in the selection process and to also explain, in some detail, how the Federal Highway Administration balances those criteria in the selection process. I am aware that traffic counts play a role, as they properly should. I am also aware that designation as a "major arterial" is a factor and that the State has an active role in making that designation. However, it is also true that the Federal government sometimes "second guesses" those State designations.

That is also very proper in many circumstances.

But, as our Chairman knows very well, a "major arterial" in Wyoming or Montana is a great deal different than a "major arterial" here in the East. So I would ask Mr. Slater to explain the process in some detail and also ask him to commit to work very closely with our Wyoming Department of Transportation and review the determination on the three routes in Wyoming. I would appreciate it, also, if Mr. Slater

would get back to me on that matter after he has had an opportunity to visit again with the Wyoming State director, Don Diller.

Thank you, Mr. Chairman.

Senator BAUCUS. Senator Reid?

**OPENING STATEMENT OF HON. HARRY REID, U.S. SENATOR  
FROM THE STATE OF NEVADA**

Senator REID. Mr. Chairman, I will be very brief. I have a statement, and I ask permission of the committee that it be made a part of the record, but I do want to say that I disagree with the committee. I was on the last conference. I've had this experience lots of times. I don't know why we get hung up on this clean bill business. We're not going to wind up with a clean bill. We should have our own demonstration projects just like the House does. We're going to wind up having them anyway. Just like we had a clean bill, the last highway bill. We didn't have a clean bill. We went over to the House and worked it out and got demonstration projects in the Senate. So I know that I'm a voice crying in the wilderness—well, we'll get out here with a clean bill and go over there and make our deals in conference, but I'm in favor of making our deals here in the committee, have our own demonstration projects. There are projects in everyone of the 50 States that need to be done, and ultimately we will do part of them anyway.

[Senator Reid's statement follows:]

**STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM THE STATE OF NEVADA**

Mr. Chairman, I am pleased to be here to speak in support of the National Highway System, or NHS. Implementation of the 159,000 mile NHS is the next step in the future of this country's transportation infrastructure.

In a time of limited funding for our transportation dollars, the federal, State and local decisionmakers are looking for guidance on highway investment decisions. Passage of the NHS before the end of this congressional session will provide that guidance.

That being said Mr. Chairman, I must address an issue that has bothered me for some time. On the last three occasions that the Congress has passed legislation to authorize transportation policy, the House has included demonstration projects and the Senate has not. In the end, these bills authorize demonstration projects.

A saying that Yogi Berra has used over the years is appropriate here, "This is deja vu all over again." I have been hearing over and over again that the Senate will pass a "clean bill." With all due respect, I am hard pressed to believe that the House will pass a conference report authorizing the NHS without demonstration projects.

I personally do not see a problem with authorizing demonstration projects in transportation bills. Each and every State more than likely has at least one priority project that would resolve a congestion problem, benefit its economy or resolve an air quality issue. Without a designated project authorized in legislation, that project, and the related problem, may linger for years in many States because there simply is not enough money in the program to resolve it in a timely fashion.

I applaud the House's efforts in relation to demonstration projects in its version of the bill. The House demanded that each and every project request go through an extensive review to determine its merits. Certainly the House process provides validity to the worth of the project, and I would say that it is time the Senate followed suit.

Senator BAUCUS. I appreciate that, Senator. I must say though that the idea of demonstration projects is a new phenomenon.

There were virtually none about 10 years ago and then there were 300 about 5 or 6 years ago, and then in the last bill that exploded to 600.

Senator LAUTENBERG. I got over 700, almost 800.

Senator BAUCUS. The present trend cannot continue. In fact, I think past practices can't continue either. In fact, I was about to say that we just passed \$6 billion worth of demos in 1991. This just can't continue, and I would further say—

Senator REID. I would agree. I think that we should try to increase the number.

[Laughter.]

Senator BAUCUS. I will say this, Senator—there will not be an NHS bill passed this year that has demos. That will not happen.

Senator REID. We'll see.

Senator BAUCUS. Other members of the committee may be attending this hearing as schedules permit. In the meantime, I want to acknowledge the statements from Senators Boxer and Warner, which will be placed in the record.

[The statements referred to follow:]

STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Thank you, Mr. Chairman.

The National Highway System is an important first step in the development of a true national transportation system for the United States.

In California the NHS encompasses 7,147 miles of roadway. While still only 4.4 percent of the State's roads, these roads carry 54 percent of the motor vehicle traffic.

The NHS will help the California Department of Transportation focus on maintaining a road network of key arterial highways; connecting our major urban centers, ports, airports, and border crossings, establishing continuous rural corridors and enhancing interregional travel.

This network will include important urban centers not currently connected by an interstate—from Chico to Bakersfield, from Santa Rosa to San Luis Obispo and Fresno. It includes six border crossings and access to such top destination sites as Yosemite and Sequoia national parks, the beaches of Southern California and Disneyland, to name a few.

It also includes the Alameda Transportation Corridor, the proposed consolidated route for rail and truck traffic from the ports of Los Angeles and Long Beach, the largest port complex in the United States.

Failure to pass the NHS would mean the loss of \$6.5 billion in Federal-aid highway funds because the law says that Congress must enact the NHS or these important gas tax funds cannot go to the States. In California, that means a loss of almost \$350 million dollars.

We could not afford that in California. The economic recession, the underfunding of ISTEA and other factors have left California's 1992, 7-year State Transportation Improvement Program with a \$2 billion deficit. Therefore, it is even more critical that we spend our transportation dollars wisely. The NHS helps identify high-priority corridors. The January 17 earthquake that closed 12 major bridges in seven locations in the Los Angeles-Ventura area starkly revealed how what truly a priority these corridors can be.

As this committee knows, I am concerned that the California Department of Transportation is not making earthquake protection of the existing road network a top priority. We know that seismic protection works because those columns retrofitted to the latest standards held during the earthquake.

I am grateful to my colleagues on this committee for their help in passing the seismic retrofit legislation I introduced earlier this year. I hope we can do more through this bill currently before us to further support seismic protection. I am

pleased that the Subcommittee on Transportation Appropriations, chaired by our colleague, Senator Lautenberg, also recognized the need for California to do more to protect the Federal investment in the State's highways from earthquake damage. I would draw Administrator Slater's attention to the subcommittee report for fiscal year 1995 that calls for the Federal Highways Department to do all that it can to assist the State in its seismic protection program. I look forward to working with him to provide that help. I am currently working on legislation to ensure that seismic retrofit of all vulnerable highway overpasses is a priority.

I am also looking forward to Secretary Peña sending this committee a proposal for a national transportation system.

It is important that the national transportation system of the coming century not rely on highway building as we have done before. We should build on the landmark provisions of ISTEA to provide real flexibility for local communities, working with the States and U.S. departments of transportation, to develop the mix of transportation alternatives that is right for them.

I am pleased to report that even now after most of the repairs to the Los Angeles highways are complete, MetroLink commuter rail ridership is still four times higher than before the earthquake. When presented attractive choices, our commuters will respond.

To spur economic growth, we need real attention to intermodal connections, too, possibly even a set aside of NHS funds. We need improved rail access for not only the ports of Los Angeles and Long Beach for the Alameda Corridor in southern California, but intermodal facilities for container cargo from the Port of Oakland in the north. We need to provide tunnel clearance improvements for the Port of San Francisco to allow double stacked freight rail cars into the port and to reduce congestion on Bay Area bridges and roads. The Port of Hueneme needs improved access for shipping citrus and other products out of California's San Joaquin Valley.

I would hope that the committee's consideration of the NHS would provide an opportunity to correct some problems that have arisen since the passage of ISTEA.

One of these involves the Congestion Mitigation and Air Quality Program. Under the ISTEA, states with air quality nonattainment areas are required to obligate CMAQ funds solely to these areas. Areas that attain the standard and are subsequently reclassified as maintenance areas are not eligible to receive CMAQ funds. This has created an absurd situation. Unless we are able to provide some level of CMAQ funds for areas that have reached maintenance status, their air quality could deteriorate again for lack of money to sustain these improvements, such as carpool programs, signal retiming and park-and-ride facilities.

We need to at least freeze the CMAQ funding at the current level for the balance of ISTEA until we can reconsider this program. I hope my colleagues will work with me on this problem so that we do not allow communities that are winning the fight against automobile pollution to lose their hard-fought gains.

Once we designate the National Highway System to identify the high priority highway corridors, I am looking forward to toward dealing with the critical transportation problems of California, I know the Chairman and other members of the committee would prefer that we pass a short bill designating the National Highway System and leave consideration of new transportation projects until we reconsider ISTEA. But that's not until 1997!

A border State with many major ports and airports, California urgently needs Federal investment in transportation, from San Diego to the Central Valley and the rest of the State. The entire State needs help to move people, goods and services. I look forward to working with the Chairman and my colleagues to meet these needs.

Thank you.

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STATEMENT BY HON. JOHN W. WARNER, U.S. SENATOR FROM THE COMMONWEALTH OF VIRGINIA

Mr. Chairman, I am pleased that this committee is conducting this hearing today to focus solely on the designation of the National Highway System.



The National Highway System is the cornerstone of the 1991 Intermodal Surface Transportation and Efficiency Act (ISTEA) to ensure that our rail, air and surface transportation network performs to its maximum efficiency to move goods and people across the country.

Through the designation of the NHS, we reaffirm the direct Federal responsibility to maintain essential elements of a core network of our Interstate system, plus strategic defense highways and other primary routes.

While the hallmark of ISTEA was its flexibility for States to address their most pressing priorities, the NHS provides the assurance that a quality transportation system will be maintained to assist the flow of commerce between States and into international markets.

In Virginia, the National Highway System includes 3,447 miles of the State's most economically important roads. All 1,106 miles of the Commonwealth's Interstate system will be part of the NHS. The NHS will carry 46 percent of all motor vehicle traffic. The NHS will also provide affordable access to rural communities throughout the Commonwealth of Virginia.

Mr. Chairman, I am committed to developing an efficient, modern and safe National Highway System because I believe it should be the first of our systems to benefit from the application of new and emerging technologies. The Intelligent Vehicle Highway System or the so-called "smart highways" presents a good example of emerging technologies with great potential for improving highway safety and efficiency.

In Virginia, the twin problems of congestion and safety in major urban/suburban areas have been the focus of our transportation policy for some time. Interstate highways approach complete gridlock during peak travel periods with the result that commuters cannot get to work and interstate commerce is delayed. That translates into reduced productivity, and wasted time and money.

Throughout my service on the Environment and Public Works Committee, I have been concerned about the safety of our surface transportation system for the traveling public.

While we have experienced a decrease in highway fatalities in recent years because of seatbelt and speed limit laws (both of which I have supported), the number of highway-related casualties each year is still far too high. More than 40,000 persons are killed and another 5 million persons injured each year in traffic accidents.

The allocation of resources to bring IVHS technologies to the National Highway System offers a tremendous opportunity to improve mobility, enhance safety and reduce congestion through electronics, communications and control technologies.

I believe the Congress must move promptly to designate the National Highway System so that States can begin to plan effectively to dedicate transportation dollars to these routes.

I also believe that this legislation should not become a new reauthorization for our nation's surface transportation programs.

Mr. Chairman, if the Congress can keep this legislation focused on its purpose and address limited and valid technical issues, then we have a good chance for success this year.

Senator BAUCUS. Secretary Peña?

**STATEMENT OF HON. FEDERICO PEÑA, SECRETARY,  
DEPARTMENT OF TRANSPORTATION**

Secretary PEÑA. Thank you very much, Mr. Chairman and members. After that exchange, I am very happy to be here.

Let me say, Mr. Chairman and members, I want to first of all congratulate you and thank you for conducting this hearing, continuing the hearing that was held in Montana, which both I and Administrator Slater attended. On that point I'm distressed to learn that the members of the Intermodal Commission found it difficult to get to your State. I have been there twice already and have enjoyed it every time. We look forward to going back by popu-

lar demand, and I've been advised that when we begin to have our discussions on the national transportation system, which we think is the next iteration of the National Highway System, we are going to conduct a hearing in Billings, Montana.

Senator BAUCUS. Close to Wyoming.

Secretary PEÑA. Mr. Chairman, I know that the schedule is very tight this morning, so I want to ask that my full statement be made part of the record and I will keep my remarks as brief as possible. After I make my opening statement, Administrator Slater will then illustrate the National Highway System components to you using a very innovative Geographic Information System, a new technology which the Department is using and which we think will have uses for areas around the country.

Mr. Chairman, right from the beginning of his campaign the President said that wise investment in transportation was the key to America's future growth and prosperity. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers. I'm very proud to be part of an Administration that has fully supported the goals of the Intermodal Surface Transportation Efficiency Act of 1991, as well as advocating full funding for it. In fact, the Department of Transportation's 1995 budget contains the largest transportation infrastructure investment in our Nation's history, over \$28 billion. In a year—and I want to remind the members about this—when other cuts were made in other Departments in order to allow this Administration to refocus its resources on transportation investment, since 1991 the Department's infrastructure investment budget has grown by 24 percent and that increase is now bringing needed transportation improvement and efficiencies, putting construction machinery to work, and, of course, creating jobs. In addition to raising the Federal investment, we are also seeking ways to involve the private sector in innovative financing. We have a number of such efforts underway within the Department, and we're working extensively with a number of private groups, and I commend you, Mr. Chairman, for your leadership in introducing your bill, the State Transportation Financing Improvement Act of 1993. We are working from the premise that in order to begin to address the conflicting pressures to reduce overall public spending, and, at the same time, improve our transportation infrastructure, we must attract addition capital from public and private sectors.

ISTEA challenged us to change the way in which we have done business, but to invest wisely a nation, like a family, must make choices and develop a strategy. I believe that the designation of the National Highway System is one of the key elements of America's future transportation strategy. The Department developed the proposed National Highway System through extensive consultation over 2 years with State and local transportation officials in all 50 States, the District of Columbia, and Puerto Rico and with the Department of Defense for advice on strategic military roads. During the recent National Highway System hearing in Montana, I was gratified by the testimony of the witnesses on the results of the initial submission to the Congress because by and large the States

testified that they thought that the process was fair, open and that they generally supported the approval of a National Highway System. I am pleased that we are experiencing this kind of support throughout the country.

The result, as you said, is a proposed network of nearly 159,000 miles of roads and highways of national significance. It includes more than 40,000 miles of the Interstate System, as well as major urban and rural arterials, but the purpose of designating segments of highways as part of the National Highway System is not—and I want to emphasize—is not to create a new large Interstate System or to upgrade all of the 159,000 miles of roads to interstate standards. The goal is to focus attention on these important roads, roads that carry more than half of America's road-born commerce and more than 40 percent of passenger travel. Clearly, these roads will have priority for investment and improvement in the future.

Now once adopted by the Congress, the National Highway System will allow every level of government to better target its highway investments in coming years. Significant ISTEA funding—as much as \$21 billion—will be directed toward the NHS, and State governments will have strong incentives to match or surpass those efforts. The National Highway System will also provide links to major airports, to seaports, to rail stations, transit systems, intermodal terminals and maritime facilities. By providing these connections, it will greatly improve the efficiency of our entire transportation network. The economic importance of an efficient national transportation infrastructure is growing. We know that just by finding one percent of efficiency in our national system—just one percent—we would generate \$100 billion in gains to our national economy within a decade.

As I've noted, the National Highway System includes numerous links between highways and other modes, but it is not, nor was it intended to be, a fully integrated national transportation network. It is a giant step toward such a comprehensive system, but we need to do much more. That is why I call for all of us to begin to work to create a truly comprehensive and intermodal national transportation system that will enable us to see our total transportation needs more clearly and equip this Nation with the transportation system it needs to compete in the global economy. We've already started to do outreach with State and local officials, citizen's groups, private businesses, and transportation users generally to refine the purpose and the scope of a national transportation system and to forge a powerful and dynamic tool for citizens, policy makers, and elected officials.

This national transportation system will embrace all modes of transportation: highways, waterways, airports, seaports, rail lines—both passenger and freight, as well as their connections—and even pipelines, which are often left out of the picture. It will foster intermodalism developing the best transportation mode for each purpose and building efficient connections between them. We have seen that in recent years businesses have begun to use intermodalism—shipping the same container first by sea, then by railroad, and finally by truck to a final destination. With a national transportation system, we are applying that very same concept on a national basis. The NTS will also focus our Nation's infrastruc-

ture investments well into the next century by identifying bottlenecks, missing links, and needed new components of our total transportation system.

Mr. Chairman, first things first. As you know and as you've stated, if Congress fails to enact the National Highway System by September of 1995, States will lose needed dollars for highway repair and improvements. If the deadline is missed, we cannot apportion National Highway System funds—\$3.6 billion—or interstate maintenance funds—\$2.9 billion—to the States for fiscal year 1996. The proposed system is now ready for congressional approval, and let me say, Mr. Chairman, there have been some who have suggested that perhaps we ought to put this off to next year since the Congress has until September of next year. My observation is that when we act deliberatively at a time when we are not under pressure, we are more likely to make reasoned decisions. My concern about postponing this to next year is that it puts extraordinary pressure on the entire Congress to quickly pass something to meet a deadline, and as we know, often decisions are made which are not in the best interest of all parties. So I encourage you to get this done this year while we have the time, we have the information, and we are able to do it in a more sensible fashion. If the system is designated this year, States will be better able to plan ahead and to manage their investments, and all of us will be able to concentrate on implementing other key programs under ISTEA. We'll also be able to build on the National Highway System accomplishment and then turn our vision to the future. There is no reason to delay approval of this vital infrastructure tool. It will fuel our economic competitiveness, create jobs, save energy, and provide substantial benefits to our Nation.

Mr. Chairman, I realize that this committee has urgent legislative matters to address during the remainder of this calendar year, and so I commend the committee for proceeding with the hearings at this time. When we submitted our National Highway System last December, we asked for a simple, clean National Highway System designation. Your bill, Mr. Chairman, S. 1887 does exactly that. While we're glad that the House acted quickly in passing the NHS designation bill and that it endorsed the development of the national transportation system, we do have some concerns about that measure.

Specifically, the bill could divert scarce budget resources from programs in order to fund special demonstration projects that have not been evaluated through the normal State processes—and let me emphasize that point because a lot has been said this morning about demonstration projects. You can call them high-priority projects; you can call them whatever you want. The question is how do you fund them and where does the money come from to fund them? If you take money that is normally apportioned to the States, and the States have used a comprehensive plan to choose their projects, and put that money into demonstration projects, you have made—or someone has made—a decision in lieu of a state-wide planning process. If we had money to fund all of the programs, all of the demonstration projects, and fully fund the money for ISTEA for highway and transit, we would not be having this discussion. The Chairman knows that in the appropriation bill just

passed these are the kind of very difficult decisions we have to make, and so we encourage a clean bill.

In closing, Mr. Chairman and members, I look forward to passage of a bill establishing the National Highway System before this session ends. I would like to see early enactment of the NHS bill so we can move forward with developing the national transportation system. Our mobility and our economy cannot afford to wait longer as we build our future. Progress in development of the intermodal national transportation system relies on the existence of the National Highway System, and we have the opportunity to move forward today.

At this time, Mr. Chairman, and with your permission, I would like to introduce Administrator Slater who will now present the National Highway System using the Geographic Information System. Mr. Chairman, as you know, we have tried to elevate the use of new technology in the Department in a number of ways, and I hope today's demonstration gives you but a small example of how we're trying to bring new technology to the Department of Transportation.

Senator BAUCUS. Thank you very much, Secretary.

Mr. Slater, why don't you proceed? I have seen this demonstration, or a version of it, when you presented it in Montana a couple of months ago, and I was very impressed with it. That demonstration had a more western tilt so this one is going to be a little more focused on this part of the country, and I think for that reason alone it's good to see the diversity and the change and how adaptable it is to different parts of the country. I commend you for it.

Senator WARNER. Mr. Chairman, the key issue of this hearing and the subject is a clean bill.

Senator BAUCUS. Right.

Senator WARNER. What I would like to know from the Secretary is how the President and yourself failed to persuade the House not to add all these items. What did you do and how did you fail?

Secretary PEÑA. Well, Senator, let me state that we were very clear about the Administration's position.

Senator WARNER. Is that in writing?

Secretary PEÑA. It is in writing. It is in oral testimony. It is in personal discussions with members of the other body. It was made abundantly clear time and time again that the Administration's proposal was to have a clean bill. As you know, this is a—

Senator WARNER. Any suggestions to veto?

Secretary PEÑA. There has been no discussion about that thus far, Senator. We know we have this important body to work with, and I've heard from the chairman this morning who indicates his intention to have a clean bill and we look forward to working with you to get that done.

Senator REID. Well, again, just so that this doesn't go unsaid, there are some States that the bureaucracy simply doesn't meet the demands of what's going on, and that is a rapidly growing State. But for our ability to have some of these high-priority projects, we would be in worse shape than we're in. So I'm one person—maybe the only one—that doesn't think the bureaucracy meets the needs of what's going on in rapidly growing States, and I again say that I don't think the House is wrong in what they're doing.

Senator BAUCUS. Mr. Slater, why don't you proceed? We're not going to solve this right now.

**STATEMENT OF HON. RODNEY SLATER, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION**

Mr. SLATER. Thank you, Mr. Chairman and members of the committee.

I am pleased to join the Secretary and others who will testify here today regarding the importance of the National Highway System. I want to thank Secretary Peña whose comments serve as an introduction to the role of the National Highway System in a broader context, that of our future national transportation system. The National Highway System will be its backbone.

I would like to take a moment before moving into the use of the GIS technology just to reiterate one or two remarks that the Secretary made, especially those urging the committee to enact approval of the NHS this legislatively session. Delaying the enactment of the NHS until the next fiscal year will just bring about unnecessary delay as it relates to the benefits of the program. This will result in loss of environmental benefits, safety improvements and economic benefits.

Now proceeding to the use of the GIS technology to present the National Highway System, as we proceed, I'll be using geographic information system technology to present the proposed National Highway System and to show how it responds to ISTEA's requirements. The GIS is a computer system that integrates information based on location and provides for interactive graphics. It will play a significant role in future transportation planning as we plug in new data on transportation flows and interconnections between transportation modes.

We'll portray the proposed National Highway System today at the national, State and urbanized area levels. We will start with State lines and show major waterways across the country. Next we will add the 399 urbanized areas shown in yellow.

The first component of the National Highway System shown in blue is the 45,000 mile Interstate System, which accounts for nearly 30 percent of the proposed system mileage.

The second component, shown in orange, includes 21 high-priority corridors as identified in ISTEA. These corridors account for 4,500 miles.

The third component, shown in green, is the non-interstate—

Senator BAUCUS. I don't think we've seen orange yet, have we?

Mr. SLATER. It's a light orange.

Senator BAUCUS. All right, here comes the green. Okay, good.

Mr. SLATER. Yes, it's coming now.

The third component, shown in green, is the non-interstate portion of the strategic highway corridor network, STRAHNET, identified by the Department of Defense in cooperation with the Department of Transportation. It totals about 15,700 miles.

The fourth component, shown in purple, are the major strategic highway corridor network connectors. They consist of 1,900 miles of roads linking major military installations and other defense-related facilities to the STRAHNET corridors.

Senator BAUCUS. Is the purple there?

Mr. SLATER. They're there. They are small routes so it's a little difficult to detect, but they are there.

Collectively these four components, all specifically required by ISTEA, account for 67,500 miles or roughly 43 percent of the proposed system. The remainder of the proposed system, totaling the 91,000 miles shown in red, is made up of the other important arterial highways that serve interstate and inter-regional travel and that provide connections to major ports, airports, public transportation facilities, and other intermodal facilities. While there are many red lines that appear on the map, remember that this system, totaling 159,000 miles, represents only 4 percent of the more than 4 million miles of roadways in the country.

In a nation as diverse as ours, finding selection criteria that fits all States wasn't easy. For example, it was necessary for the NHS to meet the needs of both densely populated areas as well as less populated States. That point has been made abundantly clear here today by members of this committee. Therefore, we worked closely with the State transportation departments and the local governments, particularly metropolitan planning organizations, for they after all know best how their roads function and how their roads fit into their overall transportation plans.

The final features that will be added to our map are the intermodal facilities and military installations that will be served by the proposed National Highway System. To highlight these facilities, we'll be using subdued lines on the map. As shown here, the National Highway System will serve more than 1,320 major transportation facilities including major ports, major airports, major Amtrak stations, rail truck terminals, major military and defense-related installations and transit systems.

Now that we've had a look at the NHS as a whole, let's turn to the State level, and let's use the State of Georgia as an example. We have Mr. Wayne Shackelford who is the Commissioner of Transportation for the State of Georgia who is here and will testify today. We start with Georgia's 11 urbanized areas, such as Atlanta, the largest and the State capital; Savannah on the coast; and Columbus on the Georgia-Alabama border, all shown here. Using the same color scheme used at the national level, here is the NHS for the State of Georgia with a different road system shown in the same colors as on the national map. Using flashing symbols, we can now show how the National Highway System fits into the broader context of Georgia's transportation needs—again, confining ourselves to major transportation facilities including nine major military installations, airports, two major ports, four major highway/rail transfer facilities, four major Amtrak stations, 10 urbanized areas with transit service, and 10 urbanized areas with intercity bus facilities.

There, gentlemen, members of the committee, you have the National Highway System for the State of Georgia.

Let me digress here to show those areas of Georgia inundated by the recent dreadful flooding represented here by the shaded area. The President visited these areas on Wednesday, and today the Secretary and I will visit them as well. To date \$22 million have

been given to the States affected by the flooding. That includes Georgia, Alabama, and Florida.

Now let's shift focus again, this time to the urbanized area of Atlanta. As host city of the 1996 Olympic Games, Atlanta will be faced with heavy challenges to its transportation system. Highways, transit, railroads, and airports will all play significant roles in meeting these challenges. The proposed National Highway System is a key element of Atlanta's intermodal transportation system. To illustrate the potential for integrating all modes of transportation, here you see the MARTA rapid rail system, the Atlanta area's principal rail lines are now shown, flashing in green are the major Olympic venues in Atlanta, and, finally, you see the military installations and intermodal terminals that complete the demonstration of the urbanized area map pertaining to Atlanta.

This map illustrates that the NHS, by itself, is important, and we have made that point well today I believe. The significance of the NHS is how it relates to the other modes of transportation, and that point has been made by the Secretary relating it to the concept of the national transportation system.

After describing all that the NHS is, let me take a second to say what it is not. The NHS will not be another Interstate System. Beyond the interstate portion, the NHS is mostly two-lane highways today, such as the Montana highway pictured here, and will likely remain that way. In fact, virtually all of the National Highway System is existing mileage. Less than 2 percent is new mileage, and that 2 percent is already in the State plans.

As I close, let me just note that a couple of months ago, I had the opportunity to take a trip across this country, and I traveled over 14 days through 14 States, over 3,500 miles on our Nation's roadways. Most of those miles, Mr. Chairman and members of the committee, were off the interstate but all were on the proposed National Highway System. The objective of the trip was to listen to the individuals you represent, and all of them talked about their needs for a quality transportation system that they might enjoy continued economic activity, and a continued enhancement of their quality of life. As the Secretary and I have mentioned on many occasions, transportation is about more than concrete, asphalt and steel. It's about the people we jointly serve.

We commend this committee for acting aggressively and expeditiously to help us bring to fore the opportunity to deal with this most important issue, and we thank you for the opportunity to be with you today to discuss this important first step in the development of a national transportation system.

Senator BAUCUS. Thank you very much, Administrator. I know that the time is running a bit short here. I wondered if Mr. Shackelford could come up to the witness table now, and if you, sir, could briefly summarize your testimony—I know you will be on the same plane flying down to Georgia—if you will just summarize your testimony, that will give each member of the committee an opportunity to ask any of you questions before you fly South.



**STATEMENT OF WAYNE SHACKELFORD, COMMISSIONER,  
GEORGIA DEPARTMENT OF TRANSPORTATION, AMERICAN  
ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION  
OFFICIALS, ATLANTA, GA**

Mr. SHACKELFORD. Thank you very much, Mr. Chairman, and members of the committee.

I am Wayne Shackelford, Commissioner of the Georgia Department of Transportation and Vice President of AASHTO. I'm here today as the vice president of AASHTO to present my written testimony and make a few brief comments. I ask that my original testimony be incorporated into the record.

Senator BAUCUS. Without objection, your prepared statement will appear in the record.

Mr. SHACKELFORD. I certainly want to express strong endorsement for approval of the NHS legislation by the Senate. AASHTO fully supports it. AASHTO believes the NHS is an investment in America's future. AASHTO is on record in its policy resolutions as stating that the commitment to the NHS is needed to accommodate our population growth, and to serve economic development, and to maintain the system, and to construct where appropriate essential segments to the system. It's time to connect the different transportation modes to assure efficient movement of our agricultural products and our industrial goods, to improve safety, and to guarantee the country's continued economic vitality into the next century.

Mr. Chairman, over the years AASHTO has had many discussions and debates about the National Highway System. Our involvement began in the early 1980s. During the course of our transportation 2020 effort, initiated in 1987 we further refined our system our highways of national significant concepts. These refinements were included in our 1989 AASHTO report, "New Transportation Concepts For A New Century." We are pleased that the NHS was included in the 1991 ISTEA. Since that time we've continued to work with Federal highway officials, U.S. DOT, to help prepare the proposal that's now before you. There are some who want to see substantial changes to the ISTEA provisions regarding the NHS. Some of these changes in AASHTO's judgment would seriously impair the NHS concept, make it impossible to meet the important mission for America that Congress and our member Departments see for the NHS. There are four areas that I want to touch on:

On the subject of sub-allocation of NHS funds to large metropolitan areas, AASHTO recalls that the major purpose for the NHS as defined in the ISTEA was State and national in scope. We believe that the States are best able to determine the NHS routes and projects required for a State and national system, and to allocate the available resources. If NHS funding is sub-allocated to metropolitan areas without regard to the purposes and needs of the NHS, we believe it would seriously undermine the ability of the States and FHWA to assure that the NHS purpose, as stated in the ISTEA, is achieved. We think it's a critical issue.

Second, on expanding the role of NPOs and selecting projects for NHS funding, AASHTO believes that the ISTEA has put in place a revitalized planning program that vests a primary responsibility for metropolitan transportation systems in the metropolitan plan-

ning organizations, and that primary responsibility for the State, regional, and national systems remain with the States. If the States are to assure that the purposes of the NHS as defined in the ISTEA are to be achieved, then the States must retain the authority for selecting and prioritizing NHS projects as provided in the law itself. Otherwise, severe gaps may occur in the national network.

Thirdly, on changing the NHS designation process as defined by the ISTEA and FHWA, AASHTO believes that the designation process set forth in the ISTEA has worked splendidly. No changes are needed, none are appropriate. We except and view the NHS as a living process, and S. 1887 rightly provides for it. The NHS amendment process and the bill sets forth a clear and rational process by which new segments can be added and existing segments and connections deleted as appropriate. Enactment of S. 1887 will establish the vision of the National Highway System to carry out the purposes stated in the ISTEA and provide a process we must have if we're to provide America with a national highway network that will be the backbone of our national transportation system over the coming decades.

Fourthly, on limiting the State's flexibility and the use of NHS funds by requiring maintenance set aside by prohibiting the use of NHS funds for new roads or capacity and by mandating the set aside for multi-modal products. AASHTO believes each of these suggestions go directly against the basic concept of the ISTEA, which was to delegate decision making to the States and local governments, and to provide metropolitan and State planning processes to assure that the soundest possible decisions would be made. If the ISTEA is to work as intended, the States must have the maximum flexibility to utilize the funding of the ISTEA to establish arbitrary maintenance set asides, prohibit use of NHS funds for new roads or capacity, or to mandate a set aside for multi-modal projects is directly contrary to the core concepts of the ISTEA and would render achievement of the NHS vision stated in the law difficult to achieve.

Mr. Chairman, some have expressed a concern that it would be the intent of member Departments to insist that the National Highway System be constructed to interstate standards. This is not true. AASHTO is not in favor of any Federal requirement to establish a single standard for the NHS. Member Departments of AASHTO will work through AASHTO's design standard committee with DOT and with interested parties on design criteria and a design process for NHS routes that integrate safety, environmental, scenic, historic, community, and preservation concerns, and on standards that will foster access for bicycles and pedestrian traffic along with other transportation needs.

Mr. Chairman, when Secretary Peña presented the national system last December, he also spoke of the need for our Nation to think of the entire national transportation system, the NTS. We see the NHS as the backbone. We support the NTS to complement it, and we've got to look to the entire NTS but the fundamental framework first should be the National Highway System, the NHS. We pledge the same assistance to the Department of Transpor-

tation, to FHWA, and to your committee that we've provided in the past.

I thank you for the opportunity to testify today. I'll answer any questions that you might have.

Senator BAUCUS. Thank you very much, Mr. Shackelford. Thank you for your testimony.

I know time is short so I'm going to limit myself just to one question, and that will be to you, Mr. Secretary. That is how does the Department intend to deal with changes in the National Highway System? This is a dynamic process. It's not static. There will be different needs in different States over time. One State may want to add a route, may want to delete a route, and so forth. I would like to know the Department's position with respect to changes, and when you answer the question, I would also like you to comment on your view as to whether Congress should approve or disapprove those changes, whether criteria could be set up for States for consultation, say, with local officials in the Department to meet criteria in order to make those changes.

Secretary PEÑA. Mr. Chairman, we would establish certain criteria. We would expect that those decisions would be made by the Department of Transportation. It is not contemplated at this time that the Congress need to approve those changes. Obviously, we would provide whatever reporting is necessary to the Congress. If there was a sense anywhere along the way that there were questions about the objectivity or the fairness of the Department, obviously we would very much welcome that feedback from the Congress. I think thus far we have demonstrated an ability to work with the States, to make adjustments, to listen to their priorities, and to be fair and balanced. We would recommend that that would be the process for making any additions or changes to the National Highway System.

Senator BAUCUS. When would you present those criteria? When will we see them?

Secretary PEÑA. Mr. Chairman, they're being developed at the moment, and we would have them for you probably the early part of next year.

Mr. SLATER. And some are evident in the planning process and in the management systems regulations.

Senator BAUCUS. Well, I know you will but I just urge you to work with this committee and the appropriate committee in the House on a formal basis to develop those criteria. I think that if we do so, then it's likely quite high that we'll find criteria that are much mutually acceptable.

Secretary PEÑA. We'll do that, Mr. Chairman.

Senator BAUCUS. Senator Kempthorne.

Senator KEMPTHORNE. Because of the fact that you have to leave, I would ask Secretary Peña and Administrator Slater to provide in writing their thoughts—and I would hope that it would be a supportive statement about the National Trails Fund. It is a dedicated trust fund, and rather than fight this every year, we would like to get a resolution to it.

Secretary PEÑA. We'll do that, Senator.

[Response to Senator Kempthorne's request follows:]

## NATIONAL RECREATIONAL TRAILS FUNDING PROGRAM

Answer: The National Recreational Trails Funding Program is authorized to provide and maintain recreational trails, with funding to be provided from existing revenue received from off-road recreational fuel users. So far, this program has received \$7.5 million in FY 1993, with no funds in FY 1992 or 1994. However, the \$7.5 million provided funds for over 400 individual trail projects throughout the nation. These funds helped connect urban communities, provide alternative transportation to recreational areas, provide jobs for youth, promote environmental education, promote partnerships and volunteer efforts, and improve access for people with disabilities. Due to budget constraints, we did not request funding for this program for FY 1995. We will, however, be considering whether such funding is possible in FY 1996. In addition, we are currently discussing whether the Trails Program needs to be amended in order to give it contract authority like the majority of the Federal-aid Highway Program.

Senator BAUCUS. Thank you, Senator.

Senator LAUTENBERG. Also, Mr. Chairman, I'm curious about one thing. The statement has been made several times that this will not be simply a duplication or replication of the Interstate Highway System.

What happens as we improve the roads other than those in the Interstate Highway System? In terms of competition with the toll roads, will we see the traffic volume increase on these roads because of their improvement? If you get the kind of truck traffic that we often see on our major Interstate Highway System, especially some of the toll roads, what prevents that traffic from just demolishing these other highway networks, increasing the cost of maintenance?

Secretary PEÑA. Well, Senator, let me answer your question generally. The beauty of this effort is that every State—for example, the State of Georgia—will now have a strategic plan, will now have a sense of what its priorities are. As the State decides—for example, in Georgia—to approve any additional toll roads either on or off of this system, it will certainly keep in mind the prioritization of those routes that are on the National Highway System because they are the ones who are critical to the entire national transportation network, and so we would expect that those kind of balances would be achieved at the State level by the State DOTs that have to weigh the kind of question you have posed.

Senator LAUTENBERG. I have one more very short question, Mr. Chairman, and that is at the release of the NHS map, you indicated that you're interested in establishing the national transit/transportation system. Where is the Department of Transportation on the NTS initiative at this time?

Secretary PEÑA. On the national transportation initiative?

Senator LAUTENBERG. Yes.

Secretary PEÑA. Senator, we have started an outreach effort throughout the country meeting with local elected officials, citizens, State officials, and others to get their ideas on what we should incorporate in this concept, which is a national transportation system. I want to emphasize that this is an evolutionary process. We have not yet decided in great detail how this is going to be unfolding. So we're trying to gather—and we're going to spend all of this year getting that information from people throughout the country, getting their ideas on what they think should be part of a national

transportation system, and how it can be used as an analytical tool by us at the national level and by people at the State level and the local level, and then begin that effort and come back hopefully some time next year to the Congress with at least a general concept of what this national transportation system would look like.

Remember that the National Highway System effort took at least 2 years to develop, and I think it even started prior to those 2 years. So we want to use that same deliberative process including the entire national interest, obviously working very closely with the Congress, as we finalize this concept of a national transportation system.

Senator LAUTENBERG. I just wondered as we deliberate the National Highway System legislation whether or not the national transportation system overall, the national transit components, have to be available for review as you look at the highway system because there may be alternatives that could be chosen if we knew what might be available in the second part of this?

Secretary PEÑA. Senator, that's a good question. Our view is that we need not wait. Let's remember that the NHS is only 4 percent of all of the roads in the country. So this is the very highest priority system, and let's also remember that this system is basically already built, and so what we're trying to do is focus on maintenance. There may be a few adjustments made here, but it is already essentially in place. So as we think about the national transportation system, what we're trying to do now—as we think about further construction, new additions—is make those decisions in a strategic fashion, keeping in mind transit systems, airports, rail systems, pipelines, seaports, all of those other modes which today we don't think about. Today we don't have a strategic tool that allows us to make those decisions. Some States do it, and they do it fairly well, but as a nation, I don't think we are at that point yet, and that's the purpose of the national transportation system as a tool.

Mr. SLATER. Mr. Secretary, I would just like to add one or two other points, and that is as we develop the intermodal connectors that were also a part of the requirement of ISTEA, that process will be going on at the same time we're developing the concept of the NTS. So there will be the growing focus on how the NHS relates to the other modes of transport.

And then one last point—you mentioned toll roads. Because toll roads are so important to the States and because we sought their input in developing the National Highway System, all toll roads that currently exist are a part of the National Highway System.

Senator LAUTENBERG. Thank you, Mr. Chairman.

Senator BAUCUS. Thank you, Senator.

Mr. Secretary, thank you very much for your testimony. We appreciate the time that you took this morning to come and visit with us.

Secretary PEÑA. Thank you, Mr. Chairman and members. We appreciate that.

Senator BAUCUS. Our next panel includes three witness: Mr. Bill Armstrong, President of Armstrong Construction Company, from Roswell, NM; Mr. Kenneth Rezendes, president of Rezendes, Inc., chairman of the American Road and Transportation Builders Asso-

ciation, from Assonet, MA; and Mr. Lester Lamm, president of Highway Users Federation, from Washington, DC.

Mr. Armstrong, why don't you proceed?

A vote has just begun, and I urge you to summarize your testimony as briefly as you can. The testimony of each of you will be automatically included in the record, and we'll come back and we'll ask questions. If you can begin, we would appreciate it. Thank you, sir.

**STATEMENT OF BILL ARMSTRONG, JR., PRESIDENT, ARMSTRONG CONSTRUCTION COMPANY, CHAIRMAN, HIGHWAY DIVISION ASSOCIATED GENERAL CONTRACTORS, ROSWELL, NM**

Mr. ARMSTRONG. Good morning, Mr. Chairman and members of the committee. My name is Bill Armstrong, Jr., and I'm a highway contractor from Roswell, NM. As Chairman of the Highway Division of the Associated General Contractors of America, I am excited to be with you today to encourage you to take prompt action to enact S. 1887, the National Highway System bill.

Senator Baucus, I and the members of AGC thank you for your leadership in sponsoring the legislation and for your willingness to shepherd it through the legislative process. At the same time, AGC applauds the efforts of Transportation Secretary Federico Peña and Federal Highway Administrator Rodney Slater in presenting the Congress with a workable and comprehensive plan that contemplates the present and future surface transportation needs of the Nation, and I would also like to personally thank Senator Kempthorne for offering me a glass of water during my time of need a few moments ago. Thank you.

[Laughter.]

Mr. ARMSTRONG. Mr. Chairman, before I begin my testimony today, I would ask that my written statement be included in the hearing record.

Senator BAUCUS. Without objection, your statement will be made a part of the record.

Mr. ARMSTRONG. Thank you. The National Highway System represents some unfinished business of ISTEA. When Congress enacted ISTEA in 1991, it set a deadline of September 30, 1995 for Congress to designate a system of highways and bridges vital to the Nation's transportation needs. While that deadline is more than a year away, AGC believes that the time to enact the NHS is now. The National Highway System put forth by the Administration and incorporated in your legislation recognizes the changing transportation need can be met by farsighted planning. It is clear that America's economy and transportation needs are changing. Since the planning of the Interstate Highway System in the 1940s, the demographics of the Nation have been altered to favor migration of population, business and manufacturing from northwest urban areas to southern and western regions. This has placed new demands on the highway network that the Interstate System was not designed to meet.

Benefits will be derived from a surface transportation system that targets investment to enhance the Nation's economy, improve transportation safety, and strengthening international trade. Ap-

proximately one-fourth of the interstate highways designated in the plan are in either poor or fair condition. In addition, 9 percent of bridges along these routes are structurally deficient, and 20 percent are functionally obsolete. NHS funding would be aimed at improving these deficient conditions and restoring them to good condition. More importantly, improvement of NHS routes will save lives and reduce accidents. Widening lanes and eliminating at grade intersections and resurfacing deteriorating roads all contribute to enhancing safety. If the NHS reduces fatalities by 2 percent, that would translate to a \$637 million cost savings to society annually.

Finally, the NHS will improve system connectivity with ports, airports, rail stations, and border crossings and will ensure that priority roads continue across State borders.

Mr. Chairman and members of the committee, enactment of the National Highway System will provide you with a rare opportunity. You will be able to increase productivity, create jobs, improve transportation safety, save millions in transportation cost to the consumer, and assist international trade at once without costing the taxpayer one cent in additional taxes. To me this is the ultimate win-win scenario. Some may argue that we have all of next year to enact the NHS and that Congress rarely acts without having an imminent deadline in front of it. If, however, we do nothing this year, we take the risk that a new Congress with new faces do not share your view and the Administration's view that the enactment of the NHS is a top priority. If we do not enact the NHS we will lose \$6.5 billion in authorized funds per year. With that much money on the table, we cannot afford to take the risk that this important work will not be completed.

Thank you for your attention. I look forward to any questions that you might have.

Senator LAUTENBERG [assuming the chair]. Thank you very much, Mr. Armstrong.

Next, Mr. Rezendes. We look forward to hearing your testimony and remind that we allow 5 minutes.

#### **STATEMENT OF KENNETH R. REZENDES, CHAIRMAN OF THE BOARD, AMERICAN ROAD AND TRANSPORTATION BUILDERS OF AMERICA**

Mr. REZENDES. Thank you, Senator.

Mr. Chairman and members of the committee, I'm Ken Rezendes, President of K.R. Rezendes, Inc., a contracting firm located in Assonet, Massachusetts. I'm privileged to serve as chairman of the Board of Directors of the American Road and Transportation Builders Association. ARTBA was founded in 1902 and is the only national association devoted solely to the planning, construction and operation of transportation facilities of all types. ARTBA strongly believes that the Federal Government has an essential role to play in developing a strong efficient national transportation network. In fact, ARTBA has worked for nearly a century to ensure that Federal programs are properly structured and adequately funded. Our association has made approval of the National Highway System its principal legislative objective for 1994. Since late last year we have utilized our own resources and joined with other groups in developing support of the National Highway System so that it can be en-

acted this year. Prominent among them are the two other represented at this table today. Numerous national and local groups have gone on record in support of the National Highway System, and this widespread support has been communicated to Congress.

This week another letter—this one from 16 major national organizations—is being sent to members of the Senate urging them to support this committee's work in reporting and enacting S. 1887. I submit a copy of this letter for the record.

Mr. Chairman, we commend you for calling this hearing to explore an issue that must certainly rank in importance to our Nation with the beginning of the Interstate System nearly 40 years ago. The National Highway System is the logical next step in strengthening the American economy.

As Secretary Peña has frequently emphasized, the National Highway System is the foundation and backbone of a comprehensive national transportation system which is being planned under his direction at the Department of Transportation. ARTBA hopes that this hearing will send a signal to those who have believed that the National Highway System would not be considered this year, that not only will it be considered, it will be voted on and enacted into law. The notion that this committee had little interest in the National Highway System should be laid to rest here and now.

Mr. Chairman, the National Highway System is essential to the future strength of our national economy, and therefore has rightly been designated by the Congress as the major focus of Federal investment and surface transportation. This does not mean that we should ignore other forms of transportation each of which has a role to play in a diversified intermodal system, but the facts are that highways carry 82 percent of the inner city traffic and 94 percent of the urban commuting traffic. Seventy-eight percent of all freight by value travels by truck. Even without change in these percentages expected growth in traffic volume requires constant attention to the ability of the Nation's highways to perform this task.

For 38 years we have concentrated on building the Interstate Highway System, often referred to as the greatest public works project in history. Construction of the interstate highways is now virtually completed. Enactment of the Intermodal Surface Transportation Efficiency Act in 1991 signaled the transition to the post interstate era. That legislation moved in bold new directions to fashion a transportation program that will carry America well into the 21st century. ISTEA, as it is called, provides greater flexibility in meeting transportation needs, and it extends Federal assistance into areas never before eligible to participate in the Federal highway program.

As we focus on a National Highway System, it is important to remember what this system is and what it is not. It has been stated from the beginning that only about 2 percent of the 159,000 miles proposed for the National Highway System will involve new construction, presumably to fill gaps and improve alignments. The remainder of the recommended system consists of the existing roads. The emphasis will be on improving these routes.

It is worth noting that 118,000 miles, or 75 percent of the proposed National Highway System, are rural roads. These highways serve vast portions of the Nation and are vital links between rural



and small town America and the rest of the country. In many instances these highways provide the only type of transportation in rural areas and are the sole means of movement for people and businesses.

Although ISTEA gives Congress until September 30, 1995, more than 14 months from now, to designate the National Highway System, there is no logical reason to postpone that action until next year. The delay will only that action would have to be taken amidst the uncertainties of 1995 and the possibility that the deadline would be missed.

Senator LAUTENBERG. Mr. Rezendes, I see that you have a little way to go yet. We'll put the full statement in the record, and I would ask if you have a sentence or two more that you want to give us, fine. Otherwise I would be compelled to cut it off now.

Mr. REZENDES. I would like to thank you for this opportunity to testify, and we will forward any additional information that the committee may request.

Senator LAUTENBERG. We've got it all in the record, and we appreciate it.

Mr. REZENDES. Thank you.

Senator LAUTENBERG. Mr. Lamm, you're a "local," and you understand how the system works. We have a vote on. The time is expiring and I've got to go down there and do my duty. So we will recess for just a few minutes and then you'll testify.

Mr. LAMM. I understand, Senator. As you leave, I would like to thank you for the Senate Appropriation action this week on the 1995 DOT budget. It was very nice, thank you.

Senator LAUTENBERG. Thank you, bloodied and only slightly battered. We'll return in a few minutes.

[Recess.]

Senator BAUCUS [resuming the chair]. I understand, Mr. Lamm, you have not yet testified.

Mr. LAMM. Yes, sir, Mr. Chairman.

Senator BAUCUS. Why don't you proceed?

#### **STATEMENT OF MR. LESTER P. LAMM, PRESIDENT, HIGHWAY USERS FEDERATION, WASHINGTON, D.C.**

Mr. LAMM. Thank you very much. I am Lester Lamm, president of the Highway Users Federation. Enactment of legislation in 1994 designating the NHS is the Federation's top priority. Our members are working hard to build support for the NHS at the grassroots level and to enlist added cosponsors for S. 1887. My full written testimony lays out the case for the NHS in detail. I tried to place the NHS in its historical context, and I provided also only some of the ample data which is available to explain the role of this strategic highway investment program in meeting America's future needs.

It was clear to me, Mr. Chairman, that the 7 percent Federal system authorized in the early 1920s and the 25 percent of roads eligible for funding in the 1970s were too extensive systems to really be strategic, and, on the other hand, you don't have to look beyond eastern Montana to see that the one percent Interstate System by itself will not adequately serve the U.S. economy of the 21st century. In my opinion, the 4 percent National Highway System,

which you proposed in 1991 and which DOT has submitted, is the happy medium.

This vital program is not really about highways. As Secretary Peña mentioned, it's about people. It's about our quality of life, the job and housing opportunities available to middle and lower income Americans, the ability to choose a good school for one's children, and a broader array of recreational opportunities. It's about the freedom of mobility that is so much a part of American life that we take it for granted. How can something as basic as a highway have such powerful social and economic impacts?

In my written testimony, I've outlined two specific NHS approval projects—one urban and one rural—but since the committee's traffic signal seems to be set at 55 miles an hour, I'll close.

I really think there are very valid reasons why it's important for Congress to enact the NHS legislation this year. Obviously, the September 1995 deadline would have led some believers to expect that the legislation would languish until then. Yet, we know and we heard again today, Mr. Chairman, that you're committed to enacting this year if possible, as are other Senators. We heard Secretary Peña and Administrator Slater also say that they support enactment in 1994. Your counterpart in the House of Representatives, Chairman Mineta, has told us that he will do anything in his power to reach agreement with you on NHS legislation that President Clinton can sign. With your leadership, I think it's possible for Congress to reduce both legislative and highway gridlock by enacting the NHS this year, and there are good reasons to do so.

First, the House language which designated the NHS—again, which is everybody's top priority—is very similar to the language in S. 1887. I think a conference committee could reach agreement on these provisions very quickly.

However, in the House legislation was considered would have fundamentally altered the 1991 NHS concept. If that starts again next year and if that legislation were to succeed in either the House or the Senate, you're going to lose a lot of the private sector support for the NHS that you have today and the opportunity to move swiftly may be lost.

Second, we all know next year will bring a new Congress and probably some committee reorganization on both sides of the Hill. That alone is likely to delay legislative action and increase the odds that NHS funds can't be apportioned on schedule.

Third, as the statutory deadline draws near, pressure will build for Congress to pass just about anything in order to avoid a funding cut off. That situation could lead to long debates over specific policy provisions which I think should be deferred until the ISTEA reauthorization process. You could look at a single issue such as funding formulas among States. That itself could cause 1995 legislation to fail.

Fourth, although I realize that Senators have concerns about the number and cost of demonstration projects, I would like to say that it might be preferable to resolve that issue this year rather than waiting until 1995. I have three reasons for that in the written testimony.

Finally, Senators also express concern about a few of the other non-demonstration project features in the House bill. I note that

there were other features which were avoided, which could have been in the House bill but are not, and whether or not the House can work that kind of leadership again in 1995 to forestall those controversies I think is anyone's guess.

Mr. Chairman, again, to close, the Highway Users Federation is committed to working with your committee and your House colleagues to get NHS legislation enacted in 1994, and we greatly appreciate this opportunity to testify.

Senator BAUCUS. Thank you very much, Mr. Lamm.

I would like to ask each of you—I think you've somewhat touched upon it already—how important is it for you that the NHS that passes—and I do intend to bring it up to get passed this year—is in fact clean? I hate to dwell on the subject for too long, but I personally believe that if we're going to pass a NHS bill this year that it has to be a clean bill. Otherwise, it would be bad public policy. Namely, to wait for the demos to be enacted. That in itself is a major distortion of the process.

Second, the funding for the demos would have to come out of the State allocation, which also distorts the process. I would like your views of how important is it to you to pass a NHS bill? That is, is it so important to you that you would rather have a clean bill or is passage this year less important to you so you're willing to put up with a messy process of trying to deal with demos?

Mr. LAMM. May I begin a response, Senator Baucus?

Senator BAUCUS. Sure.

Mr. LAMM. In my estimation, and I've mentioned this, I think you have a bill which is by, certainly, anyone's definition not pristine, certainly not limited only to NHS reauthorization—or authorization rather. On the other hand, as my testimony mentions, you might have expected many more demonstration projects and a few other substantive features from the House if you listened to the early comments when they began their process, and my own belief is that in 1995—the closer you get to the legislation due date of September 30, 1995, the more likely you are to see a bill out of the House that has many more features that this committee might find tough to deal with than you do in this year's bill. So I would urge this committee to pass the bill, as you see it, S. 1887 and go to conference with the House, and just try and meet half-way between the two bodies. That has worked in previous years, and, again, I think it would work better in 1994 than it will in 1995.

Senator BAUCUS. Thank you.

Mr. Rezendes?

Mr. REZENDES. Senator, our organization would like to see a bill. I'm not sure it's going to be a clean bill. I think demonstration projects have been a way of life over the last several years, and to take it all away in this given year might be almost impossible. It's something I think you're going to have to do a lot of work on. We certainly would like to see the bill this year. As you know, the House approved it nearly unanimously, 412-12. There will be a lot of work to be done in order to delete all of the demonstration projects. The demonstration projects do some projects that are necessary that probably aren't put in by the State people. I don't think it's a possibility to see them all eliminated. You probably could delete some, but we would hope that we have a bill this year so that

we don't have to work with the House and the Senate again next year and maybe not end up in a timely fashion that would be satisfactory to have the dollars out on the street.

Senator BAUCUS. Thank you.

Mr. Armstrong?

Mr. ARMSTRONG. Thank you, Senator. This is not a perfect world, as we know, and so I think while our desire is to have a clean bill, we recognize that there are some reasons that there may be a need for demonstration projects. Perhaps, one of the reasons is that demonstration projects recognize that perhaps ISTEA is not functioning in exactly the way it should and perhaps a later ISTEA adjustment could address that concern. I agree with you that it is bad public policy, but I think it will be harder to eliminate demonstration projects next year than it will be this year.

Mr. LAMM. Excuse me, on that same point, Mr. Chairman, one other issue that I don't think has been mentioned yet is that the pressure for demonstration projects you hear from your own colleagues here on this committee isn't because they have a project that isn't worthy. It's more likely that it's a worthy project that hasn't been able to be financed because of the shortage of available funds.

I think one of the issues that's really been disturbing is that ISTEA was a very large package of features that a number of us supported. One of the basic features was that the highway authorization level would increase, and I have kept track of 1992, 1993, 1994 and again going into 1994, there has been a total of nearly \$5 billion shortfall between the authorized level of ISTEA and the individual project years that have been approved. That to me adds to the pressure. It adds to the stream of demonstration projects coming in because that slack shows up in every State's five-year project of improvements as missing projects.

Senator BAUCUS. I think probably though it's better policy to increase the appropriations up to the authorization so the State allocations are increased, and that allows the State highway commissions to allocate the funds in the way that they think best for the States. Otherwise, these demos, as you know, independent of an increase in the appropriation of the authorizations come from the State allocation. So, when you say that some of these demos are based upon need, I think there is a lot to be said for that. Unless the appropriations are increased, those demos reduce the State allocations, and so I think there is a little bit of a shell game going on here. The better way to address this I believe, not to repeat myself, is to be sure that we fully fund ISTEA so that the State allocations are fully funded.

The second point is that there could well be, and in fact it is my intention that there will be, another "highway bill" other than the NHS bill. These demos and other minor changes to ISTEA should appropriately be in another bill. As I said earlier, I intend to hold oversight hearings, and I intend to bring up a technical corrections bill, a kind of mid-course bill. I think that there will be that opportunity to deal with issues like crumb rubber. I urge us to keep an open mind about all of this; it is my intention to pass a clean NHS bill this year so that some of these other issues that do not address

fundamental changes to ISTEA can be addressed in another mid-course bill. I think that would be appropriate.

We have the same in tax legislation. We often have a technical corrections tax bill because there are changes. It's like technical corrections to NHS. It's a dynamic system, and we're going to have changes. The DOT is going to make changes to NHS on a regular basis. It's a matter of trying to balance between total certainty on the one hand and total flexibility on the other, and it is my thought that a clean NHS bill combined with a technical corrections bill probably next year might be a more appropriate course to follow.

I would like to ask your views on just how the Department of Transportation should develop criteria for NHS adjustments, and what you think those criteria generally should be. I'll start with you, Mr. Armstong?

Mr. ARMSTRONG. Would you repeat that?

Senator BAUCUS. Yes, the question is this: you know, we're going to have a NHS system—as the years go by, there are going to be changes to NHS because States need change. It may be that some part of a State will grow very quickly, and they think that that new highway should be on the map, or another State may feel a certain section that's now on the map should no longer be on the map. I'm just curious, what should the criteria be that DOT will utilize? And, second, do you think Congress should approve or disapprove those changes or every change to the NHS map?

Mr. ARMSTRONG. I feel that Congress should give maximum flexibility to the States and to local agencies to resolve their local problems, and that's the standards around it ought to be in which the maximum public input on a local level should center so that those areas that have the problems can bring them to the surface and have a mechanism for which they can be funded.

Mr. Rezendes?

Mr. REZENDES. Mr. Rezendes, correct.

Senator BAUCUS. Rezendes, I'm sorry.

Mr. REZENDES. Mr. Chairman, I believe the criteria that have been used in the past to come up with a National Highway System with input from the States is where we should start. I think no one knows any better than the States themselves on what routes should be added, or changes, or what kind of projects they would like to do in the future or add to the National Highway System. I think it should come from the States, and they should follow the same criteria that they've been using right along. No matter what the States do I think they need a watchdog like the Federal government to look over them and guide them from time to time.

Senator BAUCUS. They don't like that sometimes.

Mr. REZENDES. I realize that. Back home we have problems with the cities and towns. As you know, the town manager or highway surveyor who runs the cities and towns and tries to do the highway work; anybody can run for that job and they're not always qualified. If we didn't have the State guiding them from time to time, there would be a lot of problems. So I think we have the same problem when we go from city and town to the State and then from the State to the Federal government.

Senator BAUCUS. Mr. Lamm?

155

Mr. LAMM. Mr. Chairman, during my 31-year career at the Federal Highway Administration, I was in the room when the Interstate Highway System went from its original 40,000-mile authorized level to its almost 45,000 miles now. You might look at that and say, well, that's only a 12 percent increase and that's not too bad. On the other hand, the cost went up very drastically. I think the real key for both the congressional desire to approve increases in the Interstate System and the fact there were so many was that the States had additional funds coming as they added to the Interstate Highway System.

So to me the technical criteria that States use to alter the National Highway System is not as significant as the question of whether or not funding is tied up in that decision. I urge the Congress to keep the principles in the 1991 ISTEA which provide a National Highway System without regard for specific State funding amounts. If you do that, it's my belief that the reasons that will cause additions to the system or deletions to the system to happen will be just as you mentioned. There will be cases where economic growth has occurred that people didn't estimate in 1994, and that can be dealt with pretty easily.

Senator BAUCUS. I appreciate that. That's a very good point.

Now if we don't pass the NHS by the designated date next year, what in your judgment would be the economic loss? Could each of you give the committee some sense of jobs lost? I think the figure is \$6.5 billion would not be available to States if the NHS map is not approved by September 30th, I think, of next year. The answer is pretty obvious, if you could fill out the details a little bit in each area in what you think the economic consequence would be if we do not get the NHS map on time.

Mr. ARMSTRONG. Of course, Mr. Chairman, it would simply be disastrous and that is obvious. A billion dollars lost in spending represents about 40,000 jobs. So we're talking in excess of a quarter million jobs in this country, just that element along. Aside from really bringing the system to its knees, in my judgment, over an extended period of time, the interstate and the transportation systems in America represent the backbone and the infrastructure and the economy of this country.

Senator BAUCUS. Mr. Rezendes?

Mr. REZENDES. Without the National Highway System there is some \$6.5 billion that will not be able to be used. I think we all know the problems we had this past winter with our roads, especially back in Massachusetts, Connecticut, Rhode Island, and Maine. We're still riding on them—potholes and patches—and without this money, it's certainly going to make a big impact. Your State alone, Mr. Chairman, has \$80 million at stake. The money is available, and if this National Highway System is not approved, that money is going to sit somewhere and will not be used.

Also NAFTA—the National Highway System is going to improve a lot of these roads for our trade.

Senator BAUCUS. Well, that's a very good point, particularly with Canada and Mexico. That's a very good point, and I think it's critical too that we work to develop these corridors. That's going to have a very beneficial effect the more they're built.

Mr. Lamm?

Mr. LAMM. Mr. Chairman, on the bottom of page 5 of my full statement, I talk about balance that I really interpret in the authorizations that Congress authorized in the 1991 ISTEA, a balance with a focus on strategic investments—and both Secretary Peña and Administrator Slater referred to that word several times in their testimony—strategic investments by the Federal Government in long-term improvements that will help the economy of the country for long generations to come, and a pool of funds equally desired by your constituents that would be granted without Federal oversight, so to speak, to State and local officials to help solve their own less stringent or less strategic problems. To my way of thinking, if the Congress is delinquent or is unable to meet the NHS deadline in 1995, without a National Highway System you almost have no strategic investment left in the total pool of Federal aid highway funds.

Under those circumstances people would ask what's left in the Federal Highway Program? States collect funds for the Highway Trust Fund. They send them to Washington. The Federal Government returns these funds to them dollar for dollar, State by State, for the most part and then they allow State and local governments to use those funds in whatever kind of flexible transportation improvement they want.

Why is this committee or why is the Federal Highway Administration even involved in continuing oversight of Federal transportation expenditures? To me the National Highway System becomes the very basic reason to continue a Federal aid highway program. You're interested and we're interested in the strategic value of a National Highway System in generations to come.

Senator BAUCUS. Before I move to the next panel, do any of you want to make any statement or react to anything that anybody has said thus far? Here's your chance. Anybody?

Mr. LAMM. I think all of us thought that the Administration's NHS proposal was just great, and my final word would be to urge this committee to come to closure on S. 1887 and go into conference with the House, and we will certainly be helping to whatever extent we can from the sideline.

Senator BAUCUS. Okay, thank you very much.

Mr. REZENDES. Mr. Chairman, I just would like to add that I know how strongly you feel for having a clean bill, and I think we would all like to see a clean bill. In reality I would hope that maybe you could be a little flexible when you start sitting down with the House and working something out so that we can have a bill this year. Your consideration would be appreciated.

Thank you.

Senator BAUCUS. We'll do the best we can, but I also ask that the other body also be flexible.

Thank you very much, thank you.

Senator BAUCUS. Our next panel includes Ms. Dianne McKenna, vice chairman of the Metropolitan Transportation Commission, Oakland, CA; Mr. Al Eisenberg, steering committee member of the Surface Transportation Policy Project, Washington, DC; Mr. William Roberts, Environmental Defense Fund; and Ms. Sally Oldham, president of Scenic America, Washington, DC.

That's a bit of a contradiction of terms.

[Laughter.]

Senator BAUCUS. Okay, Ms. McKenna, why don't you begin?

**STATEMENT OF DIANNE MCKENNA, VICE CHAIRMAN, METROPOLITAN TRANSPORTATION COMMISSION, OAKLAND, CA**

Ms. MCKENNA. Mr. Chairman, I appreciate the opportunity to appear before you this morning, and as you mentioned, I'm from the Metropolitan Transportation Commission, the metropolitan planning organization for the nine-county San Francisco Bay Area. I just want you to know that I've spent all my life growing up in metropolitan areas, and I wouldn't hesitate to take a 20-person plane to a meeting in Butte, Montana.

Senator BAUCUS. You're invited.

[Laughter.]

Ms. MCKENNA. The designation of the National Highway System represents one of the most important decisions to be made by Congress in the process of implementing ISTEA. The first step in this important process was taken in December when you asked Transportation Secretary Peña and Federal Highway Administrator Rodney Slater to unveil the map of the proposed National Highway System that we saw again this morning. As part of this initial National Highway System effort, we were encouraged by Secretary Peña's call for a comprehensive, multi-modal national transportation system. Such a multi-modal system will be critical to metropolitan areas attempting to develop strategies to address the problems of urban congestion. Certainly, the National Highway System will be a key component of such a multi-modal transportation system.

In the San Francisco Bay Area, the Metropolitan Transportation Commission has been developing the concept of a multi-modal transportation system at the regional level for some time. In fact, we first identified such a metropolitan transportation system in our 1991 long-range plan even before the passage of ISTEA. Our metropolitan transportation system defines a network of streets, highways, transit corridors, freight facilities, and transfer points of regional significance; that is, those facilities and services that are crucial to the mobility needs of the nine-county Bay Area. Our metropolitan transportation system is not a set of maps to gather dust on a shelf. Rather, it is the centerpiece of our planning, financing, and managing decisions. As such, we believe that our metropolitan transportation system developed in partnership with a host of agencies and organizations should serve as the basis for defining the Bay Area component of the national transportation system. We believe that the National Highway System and the national transportation system should be dynamic, evolving systems that reflect metropolitan planning goals. In developing both these systems, the Administration and Congress have the opportunity to reinforce the very positive directions set forth in ISTEA by relying to the greatest extent possible on the State and metropolitan planning processes defined in the landmark law. These planning processes assemble the pieces of the systems and ensure that they focus on more than just lines on a map. Should either the National Highway System or the national transportation system be developed in a narrow fashion to focus only on facilities, it may perpetuate prob-



lems of planning and funding inflexibility, as well as inconsistencies between regional and national priorities.

We believe that the metropolitan planning organizations' planning rules should be the basis for determining whether the National Highway System funds are spent on capacity expansion projects on the National Highway System or on arterial mass transit or other alternatives that more effectively serve the corridor. These Federal rules should establish a requirement for major investment analysis to be done cooperatively by States and metropolitan planning organizations. We believe that these investment studies are the mechanism to ensure maximum effectiveness of Federal transportation dollars.

Finally, we believe that the multi-modal funding flexibility established in ISTEA must be preserved in the National Highway System program. States and metropolitan planning organizations must continue to have the latitude to direct investments among alternative modes and routes if the goals of ISTEA are to be attained.

I understand that today's hearing deals strictly with the issues related to designation of the National Highway System. However, in adopting the National Highway System legislation, we would like Congress to consider a statutory change with respect to eligibility of maintenance areas for Congestion, Mitigation and Air Quality Improvement Program funding. We have prepared a separate statement for this subject that is submitted for the record. MTC appreciates your consideration of our recommendations, and we look forward to the ultimate development of a National Highway System and a comprehensive multi-modal national transportation system.

Thank you.

Senator BAUCUS. Thank you, Ms. McKenna, very much.

Mr. Eisenberg?

**STATEMENT OF ALBERT C. EISENBERG, MEMBER, STEERING COMMITTEE, SURFACE TRANSPORTATION POLICY PROJECT, WASHINGTON, DC**

Mr. EISENBERG. Good morning, Mr. Chairman. I am Albert C. Eisenberg, Senior Director for Federal Legislative Affairs for the American Institute of Architects and a member of the Steering Committee of the Surface Transportation Policy Project, which I represent today. I'm standing in for Bob Peck, a former staff member of this committee who has been called to the White House to deal with health care—a subject, thankfully, we're not dealing with here today.

[Laughter.]

Mr. EISENBERG. Let me say, I'm also an elected official vice chairman of the Arlington Virginia County Board of Supervisors, and in that capacity serve on several Washington metropolitan land use and transportation panels, so I have experience with ISTEA nationally and locally. I'm here today to discuss the proposed National Highway System. We want the legislation establishing it to be consistent with the goals and requirements of ISTEA. We're not opposed to the NHS, just believe that it ought to be consistent in that regard. The proposals before you from the Administration and the House, however, do not go entirely all the way in

that direction. We agree with Secretary Peña and his call for a National Highway System as a subset of a larger national transportation system, and I think your legislation ought to do this as well.

Because our national transportation needs and facilities cannot be considered or developed solely from the standpoint of roads or highway corridors, rather these needs and facilities ought to be addressed within the framework of a broad range of transportation modes and choices as they link together in a dynamic, evolving system that service national interest as it serves the interests of localities, States and regions.

The conditions that you all apply in establishing the NHS are critical to understanding its purpose and critical to its function. The proposal before you now from the Administration and from the House contains substantial, internal inconsistencies between the establishment of an NHS and the provisions of ISTEA. We believe that the NHS should be anchored in ISTEA's planning process, specifically stated as such in the legislation. That means any new projects, expansions of existing projects, or modifications to the system in the future really ought to be subject to the State and metropolitan planning process. That's how change to this system ought to occur.

The proposals don't do that now. DOT has proposed that the NHS map contains 21 so-called high-priority corridors featuring major new interstate type road projects and 16 new Beltway around the metropolitan area. Many of them do not conform to ISTEA approved plans.

Are they financially constrained? In many cases no. They're not subject to the testing requirements of the Clean Air Act. Are they consistent with planning requirements of Sections 134 and 135. In many cases, the answer is no. Have they been developed according to public participation process established by ISTEA's regulations? For many of these projects, the answer is no. Without the requirement for filtering any new or expanded project through the planning process including the public participation process, the legislation will place substantial technical and logical burdens on metropolitan areas. The MPOs would have to build their transportation plan around these designated NHS projects as given without having planned for them. In addition, other plans for housing, community development, economic development and the ever popular clean air plans would be required to accommodate the unplanned projects. STPP has always thought that transportation should serve larger interests instead of the other way around.

Moving quickly to a couple of other issues before I close, we believe the law should require the focus on maintenance and improvement of the existing system before development in these capacities are taken. Sufficient attention to a National Highway System and a national transportation system cannot be assured by a policy that piles new facilities on top of inadequately maintained existing ones. There really has to be a balance here.

STPP is concerned that there be close linkage between development of a National Highway System and the ISTEA's provision providing flexibility to shift ones from one mode to another. Without that clear linkage, urban areas stand to lose the assistance they need to address critical transportation needs. The national

personal transportation survey sponsored by DOT and released last December noted that almost 58 percent of metropolitan areas, including 16 percent from central cities, claimed in 1990 that they had no public transportation service—an astounding figure. That leads to a question of fair return for urban areas where the need for transportation is great, but the need for major new road facilities may not be very great at all.

I see my time has run out. I will thank you for the opportunity to appear today, and I'll stress again that the NHS plan, its map system, really needs to be part of a legislatively required planning process consistent with ISTEA's provision that exists now.

Senator BAUCUS. Thank you, Mr. Eisenberg, for your statement. Mr. Roberts?

**STATEMENT OF WILLIAM J. ROBERTS, ENVIRONMENTAL DEFENSE FUND, WASHINGTON, DC**

Mr. ROBERTS. Thank you, Mr. Chairman. On behalf of the Environmental Defense Fund and its over 50,000 members, we appreciate this opportunity to testify today. Let me begin by saying that we share your concerns about the need to have a clean NHS designation bill. The reason we support such a change is because it means that all projects will be review through the well developed planning procedures identified in ISTEA that involve the public at a local and State level so that all projects are considered carefully and thoughtfully in the realm of the overall planning process. The reason we support that planning process is because if properly implemented, ISTEA planning we believe will emphasize the concerns that we've always expressed about the need to dovetail transportation objections with, in many cases, clean air objectives—particularly in our most polluted cities.

Unfortunately, from our perspective, the current bill—even the designation bill itself—suffers some problems because it doesn't address the concerns that we have with the NHS designation process. Much of the money, for example, that has been distributed to States under the lower ceilings that have been provided by Congress have been earmarked principally for the National Highway System funds rather than for programs that could greatly assist some of our most polluted cities. For example, the Seamark Program and many of the other STP program, Surface Transportation Program funds, have been widely under funded while the NHS and other programs that don't typically serve the urban areas have been funded at 100 percent of their authorized levels.

EDF and many other environmental organizations are deeply concerned that the goal of clean and healthful air in the Nation's cities is being undermined through this implementation. The intent of this committee and others in the Congress is to provide meaningful relief to the Nation's polluted cities in their efforts to reduce transportation related pollution. We believe that this designation offers an opportunity to clarify the bill in a manner that affords those assurances.

We have several recommendations that are laid out in our testimony, and I would like to emphasize a couple of them in my oral remarks. One of the most egregious shortcomings of the proposed NHS designation before you is that it was drawn long before State

and metropolitan requirements in ISTEA were fulfilled. ISTEA directed that State and local transportation plans be developed. State transportation plans are not even due until the end of next year. Congress has before it a map that was developed without public involvement, without selection criteria, without an environmental, energy, or even economic analysis and without consideration of the many planning factors in ISTEA. You've asked several witnesses about planning criteria. If you read ISTEA, there are no specific planning criteria for the designation of the National Highway System. One of the more glaring examples that we saw this morning of the shortsightedness of features in this proposal, which is the inclusion of over a dozen new major Beltways in areas that current suffer from severe air pollution problems. For example, in the map that we saw this morning of Atlanta, two of the designated road systems on that include inner and outer Beltways that haven't been yet built. We're concerned that—or we wonder how Congress can designate such a major new facility before anyone at the State or NPO level has determined it would comply with the requirements of the Clean Air Act. The Administration does not propose amending the Clean Air Act as part of this designation legislation so we strongly recommend that any new roads proposed should be conditionally excluded from the map until the facilities have been shown to comply with the Clean Air Act.

But the inclusion of these Beltways is only an example of a larger problem. There is a real risk that the designation of the NHS will put into place a system of roads and highways that may not be fully adaptive to changing economic trends, planning objectives, or environmental goals. Many of these objectives will not become clear until State and NPO long-range plans are completed over the next few years. EDF strongly believes that in order for the NHS to serve its stated purpose of identifying the most significant roads and highways in America it should be a dynamic map that can readily be amended to reflect changing circumstances such as changes in planning goals and targets. Congress should explicitly allow the NHS map to be altered by States and NPOs as they see fit as long as the Secretary ensures that the national interest in the NHS is preserved.

One other point that we would like to make, although we have several other recommendations, is that throughout ISTEA the Congress stressed the need to tend to our existing infrastructure before investing in new projects. Mr. Armstrong made the same point earlier in his recounting of the deterioration of some of our road systems. EDF strongly supports this need for maintenance. For example, EDF strongly supported requirements in ISTEA to restrict interstate maintenance funds to maintenance needs rather than new capacity or new roads. Regrettably, no explicit emphasis on maintenance exists in the provisions for NHS funding. EDF supports a straight-forward requirement that no NHS funds be used for new or expanded highway capacity in NHS designated roadways unless the State can show that none of its existing NHS roads are in poor condition. This would not prohibit the use of NHS funds for new capacity. It would merely require the States and NPOs to at least ensure that the NHS roadways are in fair condition before such new investments are made.

We have several other recommendations for revisions to the current NHS requirements that we think will make this program much more friendly to the achievement of clean air, as well as these needs and look forward to working with the committee on those issues.

Senator BAUCUS. Thank you very much, Mr. Roberts.  
Ms. Oldham?

**STATEMENT OF SALLY OLDHAM, PRESIDENT, SCENIC AMERICA, WASHINGTON, DC**

Ms. OLDHAM. Thank you, Mr. Chairman, for the opportunity to express to you Scenic America's views regarding the proposed designation of the National Highway System and those of the Surface Transportation Policy Project on which we serve as a founding member of the Steering Committee.

Scenic America's mission is to preserve and enhance the scenic character of America's communities and the countryside. Since its founding in 1982, we've worked to establish scenic conservation as an integral part of the transportation decision making process. With a committed national membership, Scenic America is empowering communities to identify, preserve and enhance their unique character and appearance.

ISTEA created a new vision for transportation, a new focus on making transportation systems the servants rather than the masters of our communities. Through this focus, ISTEA's authors—and you rank among the most important of these—sought to make the transportation decision making process inclusive rather than exclusive, and to encourage transportation systems which enhance our communities. I would like to address today one area of transportation decision making which remains almost entirely without part input—road design.

The National Highway System represents a new and enhanced Federal commitment to the Nation's most critical roads, but it also presents dangers to the fabric of our communities and the integrity of the countryside, and an opportunity to establish a new vision for the quality of highway design. There are three issues that I would like to discuss:

First, the National Highway System should not be required to meet a set of uniform designed standards. The NHS represents a mixture of roads, each serving as an integral part of the whole. To its credit, the Federal Highway Administration and U.S. DOT, as you heard this morning, has consistently maintained that it will require no single design standard on NHS roads. State and local officials and decisionmaking processes are often extremely conservative regarding such requirements, resulting in roads that are overdesigned in order to assure Federal participation. Congress should make clear in statute that the National Highway System roads are not meant to meet a single standard.

Second, decisions regarding the choice of design standards on the National Highway System should be based on community priorities. One of ISTEA's important reforms has been to bring ordinary Americans into the transportation planning process to help set transportation priorities.

In the application of geometric design standards currently, priorities other than safety and mobility have no role. Conservatively applied, current standards enforce national uniformity in lane widths, clear zones, horizontal and vertical alignments and so on, irrespective of local priorities and conditions.

Senator Chafee is very familiar with Ministerial Road in southern Rhode Island. This is a unique scenic and historic road which needs repaving. RIDOT's position is that repaving the road requires it to be upgraded to AASHTO standards, although according to local residents the road is safe and adequate for the traffic volumes that it handles. Such changes would completely alter the character of the road, a result that neither public officials nor citizen's groups desire. As a result, the issue has been at an impasse for nearly 3 years.

In other cases, the application of AASHTO standards dramatically raises costs. One Oregon town, for example, found that Federal participation in a street paving project raised project costs approximately 10 times. AASHTO standards made this project more expensive than it needed to be, a problem especially difficult in rural States where lower traffic volumes make the application of such standards nearly superfluous.

Change is needed—NHS legislation should establish a mandate to apply AASHTO standards based on community priorities regarding design characteristics of the road. In addition, Congress should provide State and local governments with an incentive to use design flexibility in scenic and historic areas on the NHS. ISTEA charged States with using geometric design standards flexibly to preserve scenic and historic values along roadways, but the additional time, effort and expense incurred mean that this mandate is rarely observed. Providing an incentive, likely a financial one, will even the playing field making alternate standards a real consideration in these sensitive areas.

Scenic America's concern about transportation design of the NHS, however, goes beyond question of civil engineering to address the opportunity to bring esthetics into transportation design. Charles Kuralt has said, "Thanks to the Interstate Highway System it is now possible to travel across the country from coast to coast without seeing anything." The National Highway System can and should be different.

There is no necessary reason that a bridge or streetlight in Connecticut and one in Montana should look the same, but the design formulas that have developed for roads and bridges enforce a sameness nationwide. The distinctive differences that characterize different regions of this country have been all but eliminated from highway design. I urge you to take this opportunity to change this pattern in your authorization of the NHS.

Highway design should foster distinctiveness and aesthetic excellence. Think of a morning ride along the District's Rock Creek Parkway or the Virginia's George Washington Parkway, a road which I might remind you is maintained by the National Park Service and doesn't meet AASHTO's standards. Roads can be built or rebuilt with a vision grander than simple transportation. Creativity, aesthetics and responsiveness to a sense of place should become mandatory criteria for work on NHS roads.

There are three actions then that we would ask you to take as you authorize the NHS system: first, clarify in the statute that there will not be a uniform set of geometric design standards applied to this new road system; second, mandate that design standards chosen for NHS roads be chosen to reflect a community's priorities as well as safety concerns, and create an incentive system for design standard waivers for roads with scenic and historic values; and, third, create criteria for funding NHS projects that will bring aesthetics back into highway design and will lead to designs that are place responsive.

Thank you very much for this opportunity to testify.

Senator BAUCUS. Thank you very much for that very provocative statement.

I fully agree that there should be much more public participation. In fact, I ran into this in Montana quite recently. The State Highway Commission designed a large segment of a certain highway in Montana that was opposed by a large number of people in the State. The Highway Department just pulled out the book and it was a five-lane highway which many people in Montana—this is basically in Montana near Glacia Park—thought it should be changed, the design should be different. Instead of a five lane, maybe a divided highway, more scenic, and taking advantage of the scenery.

Well, I'll tell you, I created a real storm when I put a rider in the appropriations bill prohibiting any Federal funds to go to the highway, but did so because I felt that it was inadequate public participation. It was clear that there was inadequate public participation, and now it is my very firm belief that there is much, much more of a consensus in the valley as to what the design of that highway should be. It's not all going to be five lane, it's not all going to be a divided highway. The community has figured out a much better design that's better tailored to different portions of the highway, and it's really quite exciting, and I'm very, very happy to see this occur.

All four of you essentially make that point—that there should be more public participation, or planning, and so forth, and I think you're right. It's incumbent upon us to find ways to do so.

Now, if we move through not only NHS and ISTEA but also to the national transportation system era, what more precise recommendations do you have as to how we should help encourage more public participation? There is a vote going on now, and we may have to dash. I'll just go down the line here and maybe you can give me one quick bottom line recommendation, and the record will be open if you have further points.

Mr. EISENBERG. Ultimately, all transportation is local. What we're dealing with here is local transportation, and regional transportation within the context of national interest like it should be. You encourage public participation by adhering strongly to the existing provisions of ISTEA and making sure that any NHS or larger NTS is rooted in that system because it protects the public, advances the public interest, and it's where your national interests are going to be served as well.

Senator BAUCUS. I'll agree with that because also you're going to need a lot more public appreciation and involvement. For example,

in the case that I mentioned I know it might not stop this, but it would be delayed much more because it was not even an environmental impact statement. There is environmental assessment which is totally inadequate. It would have been litigated at least 10 years before this highway was built, and so my thought was that there should be much more public participation and involvement with the people and in the long run we're much, much better off.

Ms. MCKENNA. I would agree that the participation takes place at the local level, and that it moves up to the regional and State levels, and eventually it gets implemented as part of the national transportation system. In California, I think we're well-known for public participation in all types of projects, and in our regional transportation plan, we've had extensive public input. So I would think that that's where you need to start.

Ms. OLDHAM. I think the route that you're talking about in Montana is one that we listed last year as one of our 10 most endangered outstanding scenic byways in the Nation. So I'm glad that there has been some better result recently on that. I think the design issues that I addressed are ones that equally apply to the national transportation system as a whole, and we would urge you to also look at those issues with regard to the NTS, a recommendation which strongly supports the discussion that we've had here in terms of the priorities for planning. I also would reiterate that there just really needs to be some different administration of AASHTO standards and how they're applied to these roads to bring community values and community priorities into consideration dealing with those standards.

Senator BAUCUS. Thank you.

Mr. ROBERTS. Two quick comments—one, the bill that you're considering allow for changes in the map, but that kind of change only occurs between the State and U.S. DOT, and we're not included in that discussion in many cases. It seems to me critical that both additions, subtractions, changes, whatever which way ought to include local officials as well as the public in that dialogue.

Second, I think you need to spell out much more clearly criteria because it's one thing to have the public at the table, but if there is no explicit criteria for what has to be in or out or what we're trying to achieve with the national transportation system, it's a discussion that typically can go nowhere. So it seems to me you really need to be much more specific. As I said before, the NHS criteria don't exist in the law. It was just born, and I think we need to do that too.

Senator BAUCUS. Well, I thank you very, very much, and I regret to say that I've got to go and vote.

Thank you very much. It's been very helpful.

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

Ms. MCKENNA. Thank you.

[Whereupon, at 11:50 a.m., the committee adjourned, to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]



## STATEMENT OF HON. FEDERICO PEÑA, SECRETARY OF TRANSPORTATION

Good morning, Mr. Chairman and Members of the Committee. I am pleased to be here this morning as we continue hearings on the National Highway System (NHS). I welcome the opportunity to pick up where we left off last month in Bozeman.

I consider the NHS one of the most significant transportation developments in recent years. I realize that this Committee has many urgent legislative matters to address during a very busy legislative session; so I commend Senator Baucus and this Committee for proceeding with the NHS hearings at this time. As you know, if Congress fails to enact the NHS by September 30, 1995, States will lose needed dollars for highway repair and improvements. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) provided that the Congress must approve the NHS by September 30, 1995, or no funds can be made available for the NHS or the Interstate Maintenance Program. There is no reason to delay approval of this vital infrastructure tool; the NHS will fuel our economic competitiveness, create jobs, save energy, and provide substantial benefits to the Nation.

I strongly urge this Committee to enact NHS approval this session for a number of reasons. Waiting until the end of Fiscal Year 1995 to authorize the NHS means that the benefits of the program will be delayed. This will result in the loss of environmental benefits, safety improvements, and economic benefits.

ISTEA is already regarded as a major accomplishment of the previous Congress, truly landmark legislation, and much credit belongs to this Committee. The NHS is the next major step: it will establish a strategic investment strategy for the Federal role in transportation, establish an intermodal transportation system, and pave the way for national transportation system.

During the first NHS hearing held by Chairman Baucus in Montana, I was gratified by the testimony of the witnesses on the results of the NHS submission to Congress; by and large the States testifying thought the process had worked cooperatively and fairly, and they supported the approval of the NHS. I am pleased that we are hearing of such support. I want to commend Federal Highway Administrator Rodney E. Slater and his staff who have worked diligently, cooperatively, and closely with the States and others in formulating the new NHS, as well as with your Committee and staff.

Administrator Slater is accompanying me today and later he will illustrate the NHS components for you, using a unique computer system, the Geographic Information System (GIS). The GIS integrates information based on location and provides for interactive graphics; it is a breakthrough in data management technology that will play a significant role in future transportation planning. GIS will become an even more powerful tool in coming years as we enter new data on traffic flows and interconnections between transportation modes.

## NHS AND ISTEA IMPLEMENTATION

Although this hearing today is to focus on approval of the NHS, I would briefly like to summarize some of the accomplishments that we are seeing under ISTEA, an act which this Committee successfully shaped into the most flexible surface transportation law in decades. I know that many in the audience, and others testifying here today, will agree that ISTEA has made a dramatic difference.

I am proud to be a part of an Administration that has fully supported the goals of ISTEA as well as advocating full funding for it. The Department's recently announced Strategic Plan reinforces and supports the goals you established in ISTEA. Effective collaboration among Federal, State, regional, and local governments is essential to achieving our effective and efficient intermodal system and the development of transportation that serves our Nation into the 21st century. DOT has conducted extensive outreach throughout the country in its ISTEA implementation efforts and we have focused on where improvements can be made. We issued an Action Plan in March that designates the DOT agencies responsible for achieving improvements under ISTEA; also, we will conduct a second round of regional meetings to measure actual progress on our Action Plan.

The first goal in our Strategic Plan is to tie America together through an effective intermodal transportation system. We also plan to encourage all levels of government and the private sector to invest strategically and creatively in transportation infrastructure, which will increase productivity, stimulate the economy, and create jobs. We want to create a new alliance between the Nation's transportation and technology industries to make them more efficient and internationally competitive. At the same time, it is essential that we actively enhance our environment through wise transportation decisions, and the Strategic Plan includes numerous objectives designed to meet the goal.

Also, the Administration's National Performance Review has been a useful tool in furthering ISTEA goals. We will implement the National Performance Review recommendations at DOT by reinvigorating what works well, eliminating what is not necessary, and reinventing that which could work better.

ISTEA challenged us to change our way of doing business. I'd like to report on our progress in carrying out the innovative new ISTEA programs.

- Flexible Funding—Since 1992 the States have obligated over \$1 billion flexibly, that is, have used Federal-aid highway funds for transit projects.

- Congestion Pricing—Progress continues in implementing the Congestion Pricing Pilot Program also. A cooperative agreement has been developed to support the first pilot project to replace fixed tolls on San Francisco-Oakland Bay Bridge with time-sensitive variable tolls. A pricing strategy is now being developed for submission to the State legislature for approval. Meanwhile, we are soliciting more involvement in the program and in May issued a new Federal Register notice to broaden the program.

- Intelligent Vehicle Highway Systems (IVHS)—We are also successfully fostering cooperation among the Department's modal administrations for individual IVHS projects, as well as for overall IVHS program management. The new Joint IVHS Program Office, to be located within the Federal Highway Administration, will be truly intermodal—with staff from the Federal Transit Administration and the National Highway Traffic Safety Administration, as well as from the Federal Highway Administration's Offices of Research and Development and Motor Carriers. The Joint Program Office will coordinate intermodal policy and serve as the Department's Executive Agent for overall management and oversight of the IVHS program.

- Congestion Mitigation and Air Quality—Over \$1.3 billion has been spent on transportation projects to reduce emissions and assist areas in meeting national air quality standards under the Congestion Mitigation and Air Quality Improvement Program (CMAQ). In addition to funding transit, ridesharing, and other alternatives to single-occupant vehicle travel, the CMAQ program has greatly expanded the types of projects funded by DOT. Over \$75 million has been spent on conversions to cleaner burning fuels and inspection and maintenance programs, areas that, were previously excluded from Federal transportation funding.

- Transportation Planning—The Department is actively supporting public involvement in the transportation planning process and is committed to making the Metropolitan Planning process work. To this end, the Federal Highway and Federal Transit Administrations are jointly developing a public involvement policy and guidance materials, and have issued a notebook on 14 innovative public involvement techniques for transportation planning.

- Timber Bridges—82 projects in 18 States have received construction funds under the Highway Timber Bridge Research and Demonstration Program. Since the beginning of the program in Fiscal Year 1992 over \$21 million have been granted. The program will surely generate some very innovative designs in timber, along with new space-age adhesives and preservatives.

- National Recreational Trails Funding Program—The National Recreational Trails Funding Program is authorized to provide and maintain recreational trails, with funding provided from existing revenue received from offroad recreational fuel users. So far, this program only received \$7.5 million in Fiscal Year 1993. The \$7.5 million provided funds for over 400 individual trail projects throughout the Nation. These funds helped connect urban communities, provide

alternative transportation to recreational areas, provide jobs for youth, promote environmental education, promote partnerships and volunteer efforts, and improve access for people with disabilities.

- **Bicycle and Pedestrian Projects**—Bicycling and walking are the most environmentally efficient forms of transportation. Federal-aid expenditures for bicycle and, pedestrian projects are at an alltime high. Within the Enhancements, part of the Surface Transportation Program, for example, of the 10 eligible activities, bicycle and pedestrian projects are reported to be accounting for about 40 percent of all projects. These projects, have been very popular with local communities—they show a Federal commitment to support projects that benefit people where they live, work, and play. On Earth Day, Administrator Slater walked to the Capitol to deliver an excellent FHWA report, *The National Bicycling and Walking Study*.

- **Scenic Byways**—Scenic Byways are very much a part of the intermodal system fostered by the ISTEA. They help to “humanize” transportation—to make it serve people in ways that help our environment, preserve our heritage and leave the world a better place for the next generation.

The ISTEA provided a total of \$80 million for the scenic byways program—\$30 million for an Interim program and \$50 million for the national program. The Interim program provided \$110 million each year in grants to the States during Fiscal Years 1992, 1993, and 1994 while the national program was being developed. The National program will begin in Fiscal Year 1995, with \$14 million available each year for grants to the States during Fiscal Years 1995–1997. The ISTEA mandates technical assistance to the States and has provided the remaining \$8 million to fund related activities.

- **Motorcycle Helmet and Safety Belt Laws**—In order to enhance the safety of the Nation’s roadways and reduce health care costs for the entire country, ISTEA mandated that States enact and enforce both safety belt and motorcycle helmet use laws by October 1, 1993, or be subject to a transfer of Federal-aid funds toward their highway safety programs (23 USC 153).

Twenty-eight States were out of compliance with Section 153 on October 1, 1993. Since the enactment of Section 153, safety belt use laws were introduced in ten States; helmet-use laws in 21 States. Those 28 States which were out of compliance on October 1, 1993, will have nearly \$54 million of Fiscal Year 1995 Federal-aid transferred to their State safety programs.

Recently we have seen attempts to undermine these provisions. We recognize that this Committee was instrumental in placing these requirements in the ISTEA, and we strongly support these requirements. Motorcycle helmet and safety belt laws save lives and reduce our Nation’s overall health care costs.

#### NHS AND THE INFRASTRUCTURE

We are here today to discuss the importance of the NHS.

First and foremost, the Clinton Administration is committed to investing in infrastructure, and the National Highway System we proposed last December is the single largest component of our transportation infrastructure. We believe, in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America’s economy, and creating jobs for American workers.

Secondly, I want to talk about the critical role of both the National Highway System and the National Transportation System initiative which we recently undertook as they relate to our transportation future. Simply put, we cannot have a strong National Transportation System without first laying its foundation—the National Highway System.

Investment in transportation infrastructure is viewed by this Administration as a central element of the President’s strategy for longterm economic growth and increased American competitiveness in world markets by providing efficient movement of people and goods. It is also an important generation of jobs.

American companies are relying more and more on “just-in-time delivery” to get raw materials to plants, and as American wholesalers and retailers count on rapid

delivery to keep their inventories lean—the economic importance of an efficient national transportation infrastructure is actually growing.

For example, in the 1980s, U.S. businesses made dramatic improvements in their productivity by lowering their business logistics costs. Transportation costs accounted for over 46 percent of logistics costs (\$277 billion). By improving the way they moved goods and services in the 1980s, U.S. firms saved about \$35 billion in transportation costs.

They saved another \$30 billion in inventory space because the inventory is “stored” in the transportation system. Those savings came in the 1980s before we stepped up our infrastructure investment so there is still great potential for future gains.

Logistics-related costs of U.S. businesses will likely exceed \$600 billion per year during the 1990s, so the opportunity for infrastructure investments to produce shipping cost savings is still tremendous. An increase of just 1 percent in systemwide transportation efficiency, for example, would translate into more than \$100 billion in gains for the American economy within a decade.

One major grocery chain, for example, estimates that traffic congestion and the need to route shipments around bottlenecks costs nearly \$1 million a year—\$824,000 per year in delivery costs and an additional \$173,000 in inventory carrying costs. These are the kind of examples that have influenced the President to back increased investment in transportation infrastructure in both of his first two annual budgets.

In fact, DOT's 1995 budget contains the largest transportation infrastructure investment in our Nation's history—over \$28 billion—in a year when the budgets of many other departments were sharply cut. It includes full funding of the “core” capital projects under the ISTEA.

Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs.

In addition to rising Federal investment, we are also seeking ways to involve the private sector in innovative financing. We have a number of such efforts underway within the Department and are working extensively with private groups.

The public/private transportation bond market has seen explosive growth. Transportation-related bond issues multiplied by over 500 percent between 1983 and 1993—with highway and toll road bonds surging from about \$750 million in 1983 to \$11 billion in 1992.

Admittedly, much of that was refinancing to take advantage of record-low interest rates. Still, reaching out to the private sector to form public/private partnerships that “leverage” government investment may be a promising way to find the resources to close the infrastructure investment gap which our needs report reveals. Of course, we also must ensure that all of our investments, however they are financed, are made wisely and strategically.

As Senator Baucus noted in introducing his bill, the State Transportation Financing Improvement Act of 1993 (S. 1714), the Department of Transportation's 1993 needs report indicated that we need to invest \$46 billion, growing to \$58 billion annually by the year 2000, at all levels of government, just to maintain the current Federal-aid highway system conditions. Currently, annual public sector highway capital investment totals approximately \$32 billion—clearly a large shortfall.

Senator Baucus and I both are working from the premise that in order to begin to address the conflicting pressures to reduce overall public spending and improve our transportation infrastructure we must attract additional capital from the public and private sectors. Senator Baucus' bill addresses this need by allowing the States the flexibility to use a portion of their Federal-aid highway funds to create a State transportation revolving fund which could be used to make direct loans, refinance debt, purchase bond insurance, provide loan guarantees, and as a source of security to issue bonds to provide additional capital. I commend Senator Baucus for his leadership in the innovative financing area.

The National Highway System is above all else a guide to wise "strategic investment" with links to major airports, seaports, rail stations, transit systems, intermodal terminals, and maritime facilities. By providing these intermodal connections, the National Highway System will greatly increase the efficiency of our whole transportation network. This makes each mode, including highways themselves, that much stronger.

In the future, we will see new "highways" made from fiber optic cable as well as asphalt. However, the "Information Highway" is not going to end the need for our current system. Someone may order a new sofa through an interactive computer network, and someone else may be tracking that sofa's every movement via Global Positioning System satellites, but someone else is going to have to deliver it. We will still need a well-designed, well-maintained transportation system to do this efficiently.

The NHS, as it is currently proposed, contains just 4 percent of America's 4 million miles of public roads. But it carries over 40 percent of the Nation's highway traffic, 70 percent of the truck freight traffic, and 80 percent of the tourist traffic.

Once adopted by Congress, the NHS would allow every level of government to better target its highway investments in coming years. Much ISTEA funding, as much as \$21 billion, will be directed towards the NHS and State governments will have strong incentives to match or surpass these efforts.

The NHS will increase economic opportunities to communities not served directly by the Interstate System. It will link up with roads in Canada and Mexico, uniting the North American Free Trade Zone with a higher performance continental road network.

In April, I convened a North American Transportation Summit in Washington with the ministers of transportation of Canada and Mexico. I wanted to ensure, that as NAFTA spurs trade among the three countries, our transportation systems will be able to support that trade in a safe, efficient, and equitable manner.

I found the ministers of the two countries very cooperative in carrying out NAFTA's transportation provisions. All three countries are now working together on issues from standardization of regulations to advancing waterborne traffic and coordinating highway infrastructure development. The NHS will make these connections between our neighbors to the North and South much easier.

The NHS the first component of a national intermodal system. Last December, I also announced our intention to develop a National Transportation System (NTS)—one that would help us meet the challenges of the 21st century global economy. The NTS is part of a comprehensive package to improve our Nation's transportation infrastructure and to reinforce, support, and advance the new directions set by ISTEA. We are just beginning a major outreach effort to help refine and advance an NTS.

We expect the NTS to facilitate strategic investment of transportation dollars by all levels of government and by the private sector. It will enable us to identify local, regional, and national bottlenecks, missing links, and needed new components in our infrastructure. And it will help guarantee to the American people that their tax dollars will be invested wisely on projects that are part of a truly national system.

#### CONGRESSIONAL APPROVAL OF THE NHS

This hearing today is a big step towards congressional approval of the National Highway System. As you know, the House on May 25th passed H.R. 4385, a bill which approves the NHS and provides for the establishment of a NTS. We look forward to working with Chairman Baucus on S. 1887, which he introduced and which now has 14 sponsors. This bill, to approve a National Highway System, is substantially similar to the Administration bill. When we submitted our proposal for the NHS in December, we asked for a single "clean" National Highway System designation. We still hold to that view.

While we are glad the House acted quickly to approve the NHS, we do have some concerns about the bill as passed. Our major concerns are that the bill contains a number of demonstration projects. Specifically, the bill—as passed by the House—

could divert scarce budget resources from programs department-wide in order to fund projects that have not been evaluated through normal State processes. Also, we are concerned that the bill requires any future modification to the NHS to be approved by Congress. We believe that the Department should be allowed to approve modifications at the request of a State after a cooperative effort with local officials.

Approval of the National Highway System should not become bogged down in discussions of specific projects and narrow issues. As we work together, we need to keep the deliberations focused on the linkages to broad purposes and programs, of true, national importance.

I would like to see early enactment of the NHS bill so we can move forward with developing a National Transportation System. I look forward to passage of a bill establishing a National Highway System before the 1994 session ends.

Under ISTEA, as stated earlier, Congress has until September 30, 1995, to approve the legislation designating the National Highway System. If Congress misses that deadline we cannot apportion NHS funds—\$3.6 billion—to the States for Fiscal Year 1996. We also will not be able to apportion Interstate Maintenance Program funds—\$2.9 billion. Everyone has a vital stake in seeing that the NHS legislation is enacted on time.

First, we must redouble our efforts to get the National Highway System enacted this year so we can get on with the business of creating a more efficient and competitive transportation system and building for our future. Our mobility and our economy cannot afford to wait another year to begin building our future.

Second, we must begin developing a National Transportation System. DOT has started a nationwide outreach to help us refine the purpose and scope of the NTS and forge a powerful and dynamic tool for citizens, policy makers, and elected officials.

We want to be in a position to propose an NTS for consideration by Congress and our plan is to have a proposal for submission to Congress by the fall of 1995.

In closing, I would reiterate my message in the letter with which we transmitted the Administration's NHS Approval bill to Congress: "we look forward, therefore, to working with you to swiftly enact this important bill and we hope it will not be used as a vehicle for changes to ISTEA or authorizations for special projects or programs that will result in delays."

Mr. Chairman, with your permission I would now like to ask Administrator Slater to present the NHS to you using the Geographic Information System. I believe it dramatically illustrates what the NHS will mean to us nationwide and how it will truly serve to support an intermodal National Transportation System. Thank you.

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STATEMENT OF WAYNE SCHACKELFORD, COMMISSIONER, GEORGIA DEPARTMENT OF  
TRANSPORTATION

Mr. Chairman, my name is Wayne Shackelford. I am Commissioner of the Georgia Department of Transportation, and Vice President of the American Association of State Highway and Transportation Officials (AASHTO). On behalf of AASHTO, I am pleased to accept your invitation to testify on S. 1887, the "National Highway System Designation Act of 1994."

*AASHTO'S Position on the NHS*

Mr. Chairman, AASHTO is very pleased that your Committee is taking up the National Highway System (NHS) proposal of the U.S. Department of Transportation this year, one full year ahead of the deadline established in the Intermodal Surface Transportation Efficiency Act (ISTEA). We have made enactment of NHS legislation our first priority, and we support U.S. DOT's NHS proposal to you, as embodied in S. 1887.

Mr. Chairman, the AASHTO Board of Directors most recently addressed the National Highway System at our April meeting, during which we adopted Policy Resolution PR-1-94, entitled Rapid enactment of NHS Legislation. A copy of that resolution is attached, and it states that "Congress be urged to pass legislation at the earliest date possible."

The Committee is aware from its June 6 hearing in Bozeman, MT that the Western States who are members of AASHTO have also separately endorsed enactment of NHS legislation. On July 10, the Board of Directors of the Northeastern Association of State Transportation Officials (NASTO) took similar action, when it adopted a resolution entitled The National Highway System (NHS) and National Transportation System (NTS), urging that NHS legislation become law in this session of Congress. A copy of the NASTO resolution is also attached.

Put simply, Mr. Chairman, AASHTO and its Member Departments fully support approval of NHS legislation by the Senate, in this session of Congress. Now let me explain some of the reasons for this very strong support.

#### *AASHTO and Development of the NHS*

AASHTO's involvement in this NHS proposal began in the early 1980s, when we started work on the concept of a "System of Highways of National Significance" (SHNS) and recommended it in our 1985 AASHTO Report *A New Focus for America's Highways*. During the course of the Transportation 2020 effort that AASHTO initiated in 1987 we further refined our SHNS concepts, which were included in our 1989 AASHTO Report *New Transportation Concepts for a New Century*. Copies of these two AASHTO reports have previously been provided to the Committee, and another set is being filed with this testimony.

As part of our work in Transportation 2020 that led to the National Highway System, we met jointly with the Federal Highway Administration. In those meetings we agreed on the need for a functional reclassification of the Nation's highways, and subsequently our Member Departments helped the FHWA develop an illustrative National Highway System map. We were pleased that the NHS was included in the ISTEA, and since its enactment we have continued to work with the Federal Highway Administration and U.S. DOT to help prepare the proposal that is now before you.

Mr. Chairman, over the years AASHTO has had many discussions and debates about the National Highway System, and many issues needed resolution. We believe that the NHS forwarded to you by the U.S. Department of Transportation in December has resolved those issues, and to our best knowledge all of our 52 Member Departments are giving their support to the proposal.

During 1993, as the NHS proposal was emerging in final form, the AASHTO Board of Directors adopted two key policy resolutions by more than the required two-thirds vote of our 52 Member Departments. They are identified as follows, and copies are attached:

PR-11-93—National Highway System Mission Statement

PR-13-93—National Highway System Establishment

PR-11-93 sets forth the mission of the NHS as viewed by the Member Departments of AASHTO. It cites from the Preamble to the AASHTO National Transportation Policy our support for a national transportation system that involves "all forms of transportation in an interconnected manner, including existing highway and transportation facilities and transportation systems of the future." It also states our view that the NHS is "A key component of that intermodal transportation system," and identifies five criteria that the NHS should meet, which the U.S. DOT proposal incorporated in S. 1887 does.

The NHS is an investment in America's future. As stated in PR-11-93, a commitment to the NHS is needed "to accommodate population growth and serve economic development," and to "maintain the system, and construct where appropriate essential segments to the system." The resolution asserts "It is time to connect different transportation modes, to assure efficient movement of agricultural products and industrial goods, to improve safety and to guarantee the country's continued economic vitality into the 21st century."

PR-13-93 was adopted last October by the AASHTO Board of Directors. It explicitly states AASHTO's support for:

1. The establishment of a National Highway System as defined in the ISTEA;
2. The provisions of the ISTEA that provide States with overall responsibility for NHS route and project selection;

3. The planning and public participation provisions of the ISTEA which insure that Metropolitan Planning Organizations, other transportation agencies and the general public have a significant role in the NHS program;

4. The process for designation of NHS routes as defined by the ISTEA and FHWA rules and procedures; and

5. The flexibility and transferability provisions in Section 1006 of the ISTEA which enable States to address critical transportation needs identified in the MPO and State transportation planning process.

### *Support for ISTEA NHS Provisions*

Mr. Chairman, as is evident from PR-11-93 and PR-13-93, AASHTO supports both the spirit and the language of the ISTEA regarding establishment of the NHS, and we are pleased that the U.S. DOT has also supported the ISTEA and has not recommended changes to the NHS provisions in its submittal to you.

There are some who want to see changes to the ISTEA provisions regarding the NHS, some of which in our judgement could destroy the NHS concept and make it impossible to meet the important mission for America that Congress and our Member Departments see for the NHS.

Our policy resolution PR-13-93 supports the ISTEA NHS provisions, and opposes some recommendations advanced by others which we believe would change the intent of the ISTEA regarding the NHS. Specifically, referring again to the language of PR-13-93, we oppose the following four recommendations by others, for the reasons stated in the comments following each quoted recommendation:

#### *1. Suballocate NHS funds to large metropolitan areas.*

Comment: The major purpose of the NHS as stated in the ISTEA is:

... to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and other major travel destination; meet national defense requirements; and serve interstate and regional travel.

The NHS as thus defined is not intended to be a metropolitan transportation system, but rather is State and national in scope. The States are best able to determine the NHS routes and the projects required for this State and national system, and to allocate the available resources. If NHS funding should be suballocated to all metropolitan areas without regard to the purposes and needs of the NHS, it would serve to severely undermine the ability of the States and the FHWA to assure that the NHS purpose as stated in the ISTEA is achieved.

#### *2. Expand the role of MPOs in selecting projects for NHS funding.*

Comment: The ISTEA has put in place a revitalized planning process that vests a primary responsibility for metropolitan transportation systems in the Metropolitan Planning Organizations, and primary responsibility for the State, regional and national systems in the States. If the States are to assure that the purposes of the NHS as defined in ISTEA are to be achieved, then the States must retain the authority for selecting and prioritizing NHS projects, as provided in the ISTEA. Otherwise, severe discontinuities in the national network might occur.

The MPO and State planning provisions of the ISTEA provide ample opportunity for the views of all interests to be considered. We believe that the final decisions on the NHS must be reserved to the States, as is provided in the ISTEA.

#### *3. Change the NHS designation process as defined by the ISTEA and FHWA.*

Comment: We believe that the designation process set forth in the ISTEA has worked well, and that no changes therein are needed or are appropriate.

There appear to be some who believe that the designation process is the "last word" on the NHS. This is not, and should not be, true. First of all, the NHS must be considered a living process, and S. 1887 rightly provides for this. The NHS amendment process in the bill sets forth a clear and rational process by which new segments can be added and existing route segments and connections deleted from the NHS.



Finally, it needs to be understood that projects on the NHS must still go through the statewide planning processes required by the ISTEA, as well as environmental approval processes, including the conformity requirements of the Clean Air Act Amendments of 1990.

Enactment of the U.S. DOT NHS proposal, as embodied in S. 1887, is thus not the final word on the NHS. Rather, enactment of S. 1887 will establish the vision of the National Highway System to carry out the purposes stated in the ISTEA and provide a process for modifications as necessary over coming years, a vision and modification process we must have if we are to provide America with the national highway network that will be the backbone of our National Transportation System over the coming decades.

4. *Limit the States' flexibility in the use of NHS funds by requiring a maintenance set aside, by prohibiting the use of NHS funds for new roads or capacity, and by mandating a set aside for multimodal projects.*

Comment: Each of these three suggestions by others go directly against the basic concept of the ISTEA, which was to delegate decision making to the States and local governments, and to provide metropolitan and State planning processes to assure that the soundest possible decisions would be made. In our vast nation, different States and different regions have different needs. Accordingly, if the ISTEA is to work as intended, the States must have the maximum of flexibility to utilize the funding of the ISTEA. To establish arbitrary maintenance set asides, prohibit use of NHS funds for new roads or capacity, or to mandate a set aside for multimodal projects is directly contrary to the core concepts of the ISTEA, and could render achievement of the NHS vision stated in the ISTEA difficult if not impossible to achieve.

#### *NHS Design Standards*

Mr. Chairman, some have expressed a concern that it would be the intent of our Member Departments to insist that the National Highway System be constructed to Interstate standards. This is not true. When the AASHTO Board of Directors met in April, it also adopted policy resolution PR-2-94, entitled *National Highway System Design Standards*, a copy of which is also attached.

The "whereas" clauses of PR-2-94 cite some overall views of the States regarding design standards for the National Highway System, and hold that:

- the application of design standards for NHS components should be flexible, based on functional classification, type of traffic, and a wide variety of specific project circumstances.
- while safety is a paramount concern, environmental, scenic, historic, community and preservation concerns should also be integrated into design standards for the NHS, with State flexibility to incorporate such concerns.
- design solutions should be encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes, and coastal areas, wetland preservation, other environmental, scenic, and aesthetic considerations, and impacts on agricultural lands.
- design standards on NHS routes should seek to preserve and enhance access for bicycle and pedestrian traffic.
- each State is the appropriate judge of the balance among these factors.

Given these findings, the resolves of PR-2-94 state that:

- AASHTO is not in favor of any Federal requirement to establish a single standard for the NHS;
- AASHTO recommends that design standard determinations for NHS routes be delegated to each State, with the goal that each State's selected standards be in accordance with AASHTO design standards as appropriate; and
- the Member Departments of AASHTO will work through AASHTO's design standards committees, with DOT, and with interested parties on design criteria and a design process for NHS routes that integrate safety, environmental, scenic, historic, community and preservation concerns, and on standards which also foster access for bicycles and pedestrian traffic along with other transportation modes.

Mr. Chairman, we hope that PR-2-94 makes clear AASHTO's position on design standards for the NHS.

### *The NHS and the National Transportation System*

When Secretary Federico Peña presented the National Highway System last December, he also spoke of the need for our Nation to think in terms of the entire National Transportation System (NTS). He recognized that the National Highway System is the backbone of a NTS, as does AASHTO, and wisely recommended that the U.S. DOT proposal for the NHS move forward in the Congress, without amendments to the NHS provisions of the ISTEA. As I have stated earlier, Mr. Chairman, we support this approach.

At the same time, AASHTO recognizes the need to look at the entire NTS. The States are involved in all transportation modes—aviation, transit, railways and harbors, as well as highways. In transit, for example, the combined funding contributions of the States to support transit now exceeds by a wide margin the Federal support for this important mode. It is primarily the States that will be responsible for intermodal connections, certainly where public facilities are involved; this is recognized in the NHS provisions of the ISTEA, and is why State involvement in any plan for a NTS is vital.

In November, 1993, before Secretary Peña's announcement of the NHS and his plans to develop a NTS, the AASHTO Board of Directors approved PR-23-93, entitled National Transportation System, a copy of which is also attached. The resolution recognizes the goal stated in the ISTEA that "It is the policy of the United States to develop a National Intermodal Transportation System," and its resolve states that:

... should U.S. DOT and/or Congress undertake establishment of a National Intermodal Transportation System composed of all modes, AASHTO hereby adopts as its policy that the State departments of highways and transportation be involved in that effort.

In January, AASHTO President Howard Yerusolim wrote to Secretary Peña, reminding him that the Member Departments of AASHTO are actively working to implement the far-reaching intermodal features of the ISTEA, and our important role in developing the recommendations for the NHS. We observed that many States have worked for years in establishing multimodal plans, and offered our help in defining a NTS.

We believe that AASHTO and its member highway and transportation agencies must be a vital part of any discussions and decisions involving a NTS, and in our letter we assured Secretary Peña of our desire to work closely with the U.S. DOT and its agencies on the NTS. We were pleased when a few weeks ago the U.S. DOT invited AASHTO to present its views on their proposal for development of a NTS, and we have agreed to work with each other over the coming months as the NTS proposals emerge.

Mr. Chairman, we offer this same assistance to your Committee. We do not know your intentions with regard to supporting Secretary Peña's NTS concept, but if you do move forward with any legislative provisions we ask that you consider specifically including AASHTO and its Member Departments in the NTS process, as was done with respect to establishing the National Highway System. Having State involvement in development of the NHS was and is critical, and the same will be true for any legislation furthering a NTS.

The Secretary has stated that the development of U.S. DOT's National Transportation System proposals will not be ready until the fall of 1995, and given the complexities involved it may well take even longer. Mr. Chairman, given the NTS effort that is now underway by the U.S. DOT, we think it is even more important that the NHS be established in this session of the Congress, rather than next year.

The Secretary and AASHTO agree that the NHS must and will be the basis for any National Transportation System proposal. Therefore, Congress should put the NHS foundation in place now, so that the U.S. DOT will have the basis it needs for its National Transportation System work.

## CONCLUSION

Mr. Chairman, let me conclude my testimony on behalf of AASHTO by once again stating our strong support for establishment of a National Highway System as envisioned by the ISTEA. I will be pleased to respond to any questions, now or in writing later.

Thank you for this opportunity to provide our views on the NHS and S. 1887.

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AASHTO TRANSPORTATION POLICY RESOLUTIONS

## RAPID ENACTMENT OF NHS LEGISLATION

(APRIL 11, 1994)

PR-1-94

WHEREAS, the establishment of the NHS is deemed necessary to ensure that our citizens are connected to the rest of the nation and the world, and that all citizens of our nation are connected to the natural resources; national parks, cities and other points of national importance now and in the future; and

WHEREAS, the provisions of the ISTEA provide States with overall responsibility for NHS route and project selection; and

WHEREAS, the planning and public participation provisions of the ISTEA ensure that Metropolitan Planning Organizations, other transportation agencies and the general public have a significant role in the NHS program; and

WHEREAS, an equitable process for designation of NHS routes as defined by the ISTEA and FHWA rules and procedures has been established; and

WHEREAS, the flexibility and transferability provisions in Section 1006 of the ISTEA enable States to address critical transportation needs identified in the MPO and State transportation planning processes; and

WHEREAS, the Federal Highway Administration has submitted their proposed designations to Congress;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the American Association of State Highway and Transportation Officials (AASHTO), that Congress be urged to pass legislation approving the NHS at the earliest date possible; and

BE IT FURTHER RESOLVED by the Board of Directors of AASHTO, that Congress be urged to satisfy the intent of ISTEA by funding it at its authorized levels.

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NORTHEAST ASSOCIATION OF STATE TRANSPORTATION OFFICIALS

## RESOLUTION

THE NATIONAL HIGHWAY SYSTEM (NHS) AND NATIONAL TRANSPORTATION SYSTEM (NTS)

WHEREAS, the transportation system is vital to the economic growth and health, and global competitiveness of the United States; and

WHEREAS, the highway network is the backbone of the transportation system in terms of people and goods movements and intermodal connectivity; and

WHEREAS, all States, including those in NASTO as well as the District of Columbia and Puerto Rico have worked diligently for the past several years developing proposals and submissions to FHWA on the National Highway System (NHS) as required in ISTEA; and

WHEREAS, the AASHTO President and Board of Directors identified the Association's number one Emphasis Area for this year as the adoption of the National Highway System; and

WHEREAS, the U.S. DOT has submitted the National Highway System to Congress based on input from the States and has testified and spoken out on the priority of early adoption of the NHS by Congress as well as the longer term development of a National Transportation System (NTS); and

WHEREAS, the full House of Representatives passed their version of the NHS on May 25 by 412 to 12 votes which in addition to adopting the NHS requests the U.S. DOT to submit a proposed NTS within 2 years of passage of final NHS bill; and WHEREAS, the U.S. Senate Environment and Public Works Committee held a hearing on June 6 in Bozeman, MT on the NHS with Secretary Peña, FHWA Administrator Slater and several States testifying strongly for early passage of NHS legislation.

NOW THEREFORE BE IT RESOLVED by the NASTO Board of Directors that the Senate of the United States should pass their NHS legislation this year; and BE IT FURTHER RESOLVED that the two Houses work together to resolve their differences so that an NHS might become law this session; and

BE IT FURTHER RESOLVED that Congress and the U.S. DOT develop a process for rational longer term development of an NTS with State's involvement as well as other public and private sector participation; and

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the Public Works Authorizing Committees of the House and Senate and to the U.S. DOT.

*Adopted July 10, 1994.*

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## NATIONAL HIGHWAY SYSTEM (NHS) MISSION STATEMENT

(APRIL 20, 1993)

*PR-11-93*

"The national transportation system should involve all forms of transportation in an interconnected manner, including existing highway and transportation facilities and transportation systems of the future. The objective should be to provide mobility while striving to reduce congestion, energy consumption, and pollution. This objective will promote economic development, improve the Nation's position in international commerce, preserve and protect our investment in our transportation system, and enhance quality of life, including social and environmental aspects."

The above statement is a part of the Preamble to the AASHTO National Transportation Policy, adopted in October, 1992, and provides a starting point for this AASHTO mission statement on the National Highway System.

Because an effective, efficient intermodal transportation system is critical to successfully competing in the global marketplace, ISTEA establishes it as a fundamental policy principle of the Act. A key component of that intermodal transportation system is the National Highway System. The NHS is comprised of the existing National System of Interstate and Defense Highways and those principal arterial roads essential to interstate and regional commerce, travel, and border crossings. This system will be the preeminent network of highways interconnecting rural and urban areas within the nation.

The NHS will consist of interconnected, safe, efficient and environmentally sound highways with suitable control of access to support State and local mobility and growth management strategies.

This interconnected system of highways should be designed to support national criteria that will:

- (1) Serve the major portions of rural and urban commercial and private travel;
- (2) Interconnect economic centers throughout the country to support expanded trade and travel between the United States and the world;
- (3) Connect population centers, ports, airports and provide rural areas with access.
- (4) Serve major movement of people and goods into and throughout urban areas while providing access to commercial, industrial, and institutional activities via public and private vehicles.
- (5) Provide for national defense and emergency preparedness requirements, including the STRAHNET system and major STRAHNET connectors.

Other important objectives of the ISTEA legislation include promoting safety, reducing traffic congestion along heavily traveled corridors, improving air quality and enhancing the environment. These objectives can be enhanced through the NHS. The benefits of investing in a NHS are manifold; consequently, the NHS should not only serve as the backbone of America's transportation system in the near future, but continue as the major focus of future Federal transportation programs.

As the most visible and significant part of the Nation's intermodal transportation system and like the Interstate System before it, the NHS must be promoted and maintained as a national goal which not only promises but delivers national benefits. Therefore, the Nation must commit to a national investment in the NHS.

#### NHS GOALS AND OBJECTIVES

The NHS, along with other national transportation systems, should form the core for the larger State, long-range, multimodal plan and program. The NHS provides the backbone highway system for the efficient operation of our transportation facilities and services.

Where construction is required, provisions for early acquisition of right-of-way and, where appropriate, access rights should be included. Final design will depend on traffic demand and funding availability.

The NHS should provide needed load carrying capacity and use efficient technology to provide enhanced safety and performance not only for the NHS itself, but for the Nation's entire intermodal transportation system.

To most efficiently reconstruct and maintain the system, the NHS should combine the use of durable materials, effective uniform design standards, and the results of the Strategic Highway Research Program (SHRP) and other technological advances.

Operational efficiency should be monitored and enhanced through the implementation of the required management systems.

#### THE NHS AS AN INVESTMENT

To accommodate population growth and serve economic development, a commitment to the NHS is needed to maintain the system, and construct where appropriate essential segments in the system.

The post-Interstate construction era is here. It is now time to move ahead with the next phase of development of America's transportation system. It is time to connect different transportation modes, to assure efficient movement of agricultural products and industrial goods, to improve safety and to guarantee the country's continued economic vitality into the 21st century.

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#### NATIONAL HIGHWAY SYSTEM ESTABLISHMENT

(OCTOBER 24, 1993)

*PR-13-93*

WHEREAS, the U.S. Congress, through the enactment of the Intermodal Surface Transportation Efficiency Act of 1990 (ISTEA) created a National Highway System (NHS) for the following purposes:

. . . to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel; and

WHEREAS, the ISTEA makes States legally responsible for the NHS system and creates a strong planning process for Metropolitan Planning Organizations, local officials, and the general public to participate in the selection of NHS routes and NHS projects; and

WHEREAS, the National Highway System was established to connect urban and rural centers of commerce and to serve interstate and interregional travel; and

WHEREAS, the ISTEA provides States with flexibility in the use of NHS funds for a wide variety of projects, such as:

- Construction, reconstruction, resurfacing, restoration, and rehabilitation of segments of the NHS;
- Construction of transit projects;
- Highway safety improvements;
- Transportation planning;
- Fringe and corridor parking facilities;
- Carpool and vanpool projects;
- Bicycle transportation and pedestrian walkways;
- Development and establishment of management systems;
- Environmental mitigation and conservation programs; and

WHEREAS, the ISTEA provides States with the ability to transfer up to 100 percent (more than 50 percent requiring Secretary approval) of NHS apportionments to the Surface Transportation Program (STP);

WHEREAS, AASHTO's Standing Committee on Highways has endorsed, and has appointed a Task Force to pursue the concept of streamlining the planning and programming process with respect to system preservation projects;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the American Association of State Highway and Transportation Officials that AASHTO supports:

1. The establishment of a National Highway System as defined in the ISTEA;
2. The provisions of the ISTEA that provide States with overall responsibility for NHS route and project selection;
3. The planning and public participation provisions of the ISTEA which insure that Metropolitan Planning Organizations, other transportation agencies and the general public have a significant role in the NHS program;
4. The process for designation of NHS routes as defined by the ISTEA and FHWA rules and procedures; and
5. The flexibility and transferability provisions in Section 1006 of the ISTEA which enable States to address critical transportation needs identified in the MPO and State transportation planning process; and

BE IT FURTHER RESOLVED that AASHTO opposes recommendations which would change the intent of the ISTEA referring to the National Highway System, such as those that would:

1. Suballocate NHS funds to large metropolitan areas;
2. Expand the role of MPOs in selecting projects for NHS funding;
3. Change the NHS designation process as defined by the ISTEA and FHWA; and
4. Limit the States' flexibility in the use of NHS funds by requiring a maintenance set aside, by prohibiting the use of NHS funds for new roads or capacity, and by mandating a set aside for multimodal projects.

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#### NATIONAL HIGHWAY SYSTEM DESIGN STANDARDS

(APRIL 11, 1994)

PR-2-94

WHEREAS, AASHTO supports the National Highway System (NHS), which is comprised of a crosssection of rural and urban roads in a wide variety of natural and cultural settings; and

WHEREAS, the application of Interstate design standards across all NHS routes or the application of a design standard higher than warranted by the type of traffic using the particular NHS route would be inappropriate and counterproductive; and

WHEREAS, the application of design standards for NHS components should be flexible, based on functional classification, type of traffic, and a wide variety of specific project circumstances; and

WHEREAS, while safety is a paramount concern, environmental, scenic, historic, community and preservation concerns should also be integrated into design standards for the NHS, with State flexibility to incorporate such concerns; and

WHEREAS, design solutions should be encouraged that respect the integrity and value of historic preservation, communities, rivers, streams, lakes, and coastal areas, wetland preservation, other environmental, scenic, and aesthetic considerations, and impacts on agricultural lands; and

WHEREAS, design standards on NHS routes should seek to preserve and enhance access for bicycle and pedestrian traffic;

WHEREAS, each State is the appropriate judge of the balance among these factors.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the American Association of State Highway and Transportation Officials (AASHTO) is not in favor of any Federal requirement to establish a single standard for the NHS.

BE IT FURTHER RESOLVED that AASHTO recommends that design standard determinations for NHS routes be delegated to each State, with the goal that each State's selected standards be in accordance with AASHTO design standards as appropriate,

BE IT FURTHER RESOLVED that the Member Departments of AASHTO will work through AASHTO's design standards committees, with DOT, and with interested parties on design criteria and a design process for NHS routes that integrate safety, environmental, scenic, historic, community and preservation concerns, and on standards which also foster access for bicycles and pedestrian traffic along with other transportation modes.

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## NATIONAL INTERMODAL TRANSPORTATION SYSTEM

(NOVEMBER 30, 1993)

PR-23-93

WHEREAS, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) stated in its declaration of policy:

It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the Nation to compete in the global economy, and will move people and goods in an energy efficient manner; and

WHEREAS, AASHTO believes it is the responsibility of all transportation officials to create opportunities for all modes, public and private, to move people and goods in an efficient, safe, and cost effective manner; and

WHEREAS, the various modal administrations in the U.S. DOT, such as the Federal Highway Administration, Federal Aviation Administration, Federal Railroad Administration, Federal Transit Administration, and Maritime Administration, each have their individual system of national significance; and

WHEREAS, the eventual development of a National Transportation System will require information on the various modal systems; and

WHEREAS, AASHTO reaffirms its support of AASHTO resolutions PR-10-93, PR-11-93 and PR-13-93 which support the National Highway System;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the American Association of State Highway and Transportation Officials that should U.S. DOT and/or Congress undertake establishment of a National Intermodal Transportation System composed of all modes, AASHTO hereby adopts as its policy that the State departments of highways and transportation be involved in that effort.

DESIGNATION OF THE NHS

Good morning, Mr. Chairman and Members of the Committee. My name is Bill Armstrong, Jr. and I am a highway contractor from Roswell, NM. As Chairman of the Highway Division of the Associated General Contractors of America, I am pleased to be with you today to encourage you to take prompt action to enact S. 1887, the National Highway System bill.

Senator Baucus, I and the members of AGC, thank you for your leadership in sponsoring this legislation and for your willingness to shepherd it through the legislative process. At the same time, AGC applauds the efforts of Transportation Secretary Federico Peña and Federal Highway Administrator Rodney Slater in presenting the Congress with a workable and comprehensive plan that contemplates the present and future surface transportation needs of the nation.

*The National Highway System is necessary to meet the Nation's changing economy and transportation needs*

America's economy and its transportation needs are changing. Vehicle miles of travel (VMT), the sum of all miles traveled by vehicles in 1 year, has been increasing steadily at a rate of about 2.5 percent per year. Not only is travel increasing nationally; it has grown particularly in areas which have experienced rapid development in the last few decades. Since the planning of the Interstate System in the 1940s, the demographics of the Nation have changed in the intervening half century. The location and operations of many businesses and industries have also changed. Migration of population, business and manufacturing from northeast urban areas to southern and western regions has placed new demands on the highway network that the Interstate System alone was not designed to meet.

In addition, the economy today is dominated increasingly by service-based businesses and smaller, lighter manufacturing industries whose markets tend to be closer to their places of production and operation. Flexible and efficient transportation systems have proven essential to their efforts to increase productivity and reduce costs. Consequently, these businesses are relying on highway transportation to move their goods quickly and efficiently to market. About 42 percent of freight is transported by ground, representing 80 percent of the value of all freight transported. Seventy-five percent of all ton miles of goods moved is shipped between 100 miles and 1,000 miles by truck, accounting for 90 percent of the value of goods shipped.

Transportation costs account for approximately 46 percent of American firms' annual operating costs, while costs associated with inventories represent another 37 percent of these costs. Reducing these costs was essential in achieving many of the productivity gains realized during the 1980s when American business and industry saved approximately \$60 billion by lowering transportation and inventory costs.

One important way business is lowering logistics costs is by utilizing "just-in-time" distribution systems, which cut costs by keeping inventory levels low and products moving in the transportation cycle. According to the U.S. Department of Transportation (DOT), 55 percent of the Nation's manufacturer's will be using "just-in-time" shipment by 1995. Future productivity gains will depend upon the efficiency of the Nation's road system in cutting transportation costs and supporting the increasing importance of flexibility in distribution systems.

The NHS will benefit virtually every American. According to the Federal Highway Administration, 95 percent of American households and 95 percent of businesses will be within five miles of an NHS route.

*The National Highway System will target investment to enhance the Nation's economy, improve transportation safety, and strengthen international trade*

The benefits of enactment of the NHS are unquestioned. The NHS will target investment at improving the conditions of highways and bridges that are of national significance. Approximately 8 percent of interstate routes on the NHS are in poor condition and approximately 16 percent are in fair condition. In addition, 9 percent of bridges along these routes are structurally deficient and 20 percent are function-



ally obsolete. NHS funding would be aimed at improving these deficient conditions and restoring them to good condition.

NHS funding would also be aimed at bringing some arterial routes up to interstate standards. Such improvements would include adding medians, widening lanes and shoulders, and implementing controlled access. Such improvements are important to travel and interstate commerce because they will help reduce congestion by improving traffic flow and allowing vehicles to travel safely. Improved road conditions and less congestion lower transportation costs by cutting travel time and reducing unnecessary wear on the vehicle. Reduced transportation costs, in turn, translate into lower costs for consumer goods.

More importantly, improvement of NHS routes will save lives and reduce accidents and injuries. Widening a lane by one foot, for example, reduces accidents by approximately 12 percent, and widening by 2 feet reduces accidents by 23 percent. If the NHS reduces fatalities by 2 percent, that would translate to a \$637.5 million in cost savings to society annually.

Another important feature of the NHS is that it will enhance system "connectivity" with ports, airports, railroad stations and border crossings and will ensure that priority roads continue across State borders. This is particularly important for the economy. Tourism is the third largest industry in Nation today and most vacation travel involves some use of NHS designated routes as travelers head for their domestic or international destinations.

In addition, as foreign trade continues to grow in the United States, accounting for approximately 20 percent of GDP, it also continues to grow more competitive. Improved access to ports and other foreign trade facilities via NHS routes is critical to keeping costs down and maintaining a competitive edge, especially for Midwest producers and manufacturers who are, on average, further from ports than most of their foreign competitors.

The North American Free Trade Agreement is expected to significantly increase trade among Canada, Mexico, and the United States. According to the General Accounting Office, 80 percent of freight entering the U.S. from Mexico and 60 percent of the freight entering from Canada arrives by truck. The NHS will facilitate the transport of these goods by serving all major border crossing points.

*The National Highway System must be adequately funded to meet future surface transportation needs*

Despite the level of funding authorized in ISTEA, this Nation continues to underinvest in its highway and bridge systems. The 1993 U.S. Department of Transportation's report to Congress on the status of the Nation's surface transportation system states that the total expenditure on highways by all levels of governments in 1991 was \$81.2 billion, with \$36.1 billion of this being spent for highway and bridge capital improvement. The Federal share of this \$36.1 billion was 41 percent in 1991, compared to 44 percent in 1989. As to the capital needs of the Nation's highways and bridges, the report finds that \$51.6 billion should be expended annually just to maintain conditions and performance and that if conditions and performance are to be improved to acceptable levels the annual capital funding should be \$67.3 billion.

Clearly, the first priority is to enact the NHS. A very important second step is to provide adequate funding for the System to meet future transportation needs by improving highway and bridge conditions.

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STATEMENT OF KENNETH R. REZENDES, CHAIRMAN OF THE BOARD, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION

Mr. Chairman, Senator Chafee, Members of the Committee. I am Kenneth Rezendes, president of K.R. Rezendes, Inc., a contracting firm located in Assonet, Massachusetts. I am also privileged this year to serve as chairman of the Board of Directors of the American Road and Transportation Builders Association. I appreciate this opportunity to share with you ARTBA's thoughts on the National Highway System.

ARTBA was founded in 1962 and is the only national association devoted solely to the planning, construction and operation of transportation facilities of all types. ARTBA strongly believes that the Federal government has an essential role to play in developing a strong, efficient national transportation network. In fact, ARTBA has worked for nearly a century to ensure that Federal programs are properly structured and adequately funded.

Mr. Chairman, we commend you for calling this hearing to explore an issue that must certainly rank in importance to our Nation with the beginning of the Interstate System nearly 40 years ago. The National Highway System is the logical next step in strengthening the American economy and society. And, as Secretary Peña has frequently emphasized, the NHS is the foundation and backbone of the comprehensive National Transportation System which is being planned under his direction at the Department of Transportation.

ARTBA hopes that this hearing will send a signal to those who have believed that the NHS would not be considered this year that not only will it be considered, it will be voted on and enacted into law. The notion that this Committee had little interest in the National Highway System should be laid to rest here and now.

Mr. Chairman, the NHS is essential to the future strength of our national economy and therefore has rightly been designated by the Congress as the major focus of Federal investment in surface transportation. Despite what some think and despite changes in means and patterns of movement, highways will remain the dominant mode of commerce and mobility for the American people in the foreseeable future.

This does not mean that we should ignore other forms of transportation, each of which has a role to play in a diversified, intermodal system. But the facts are that highways today carry 82 percent of all intercity traffic and 94 percent of urban commuting traffic. Seventy-eight percent of all freight, by value, travels by truck. Even without change in these percentages, expected growth in traffic volume requires constant attention to the ability of the Nation's highways to perform their tasks.

For 38 years, we have concentrated on building the Interstate Highway System, often referred to as the greatest public works project in history. Construction of the Interstate highways is now virtually completed. Enactment of the Intermodal Surface Transportation Efficiency Act in 1991 signaled the transition to the post-Interstate era. That legislation moved in bold new directions to fashion a transportation program that will carry America well into the 21st century.

ISTEA "ice tea", as it is called, provides greater flexibility in meeting transportation needs, and it extends Federal assistance into areas never before eligible to participate in the Federal highway program. But ISTEA called for creation of the National Highway System to be *America's basic mobility network*. For that reason, we must not allow the temptation to strike out in new directions to distract us from the fact that primary attention must be directed to the National Highway System.

As we focus on the National Highway System, it is important to remember what this system is and what it is not.

Primarily, the National Highway System *is not* intended to be a larger replication of the Interstate System, in other words, an interconnected network of multi-lane, controlled access roadways. Furthermore, it is not intended to be a major urban freeway program, although many city streets—including Constitution Avenue, which runs in front of this building—are proposed as components of the NHS. Nor is it likely to involve significant new construction on new rights-of-way.

It has been stated from the beginning that only about 2 percent of the 159,000 miles proposed for the NHS will involve new construction, presumably to fill gaps and improve alignments. The remainder of the recommended system consists of *existing* roads. The emphasis will be on improving these routes.

The Department of Transportation has stated on numerous occasions that much of the proposed NHS mileage in rural areas consists of two-lane roads and probably will remain so. With growing traffic demands, additional capacity will be needed in some areas, but the NHS is not planned as a duplicate of the Interstate system.

It is worth noting that 118,834 miles, or 75 percent, of the proposed National Highway System are rural roads. These highways serve vast portions of the Nation and are the vital links between rural and small-town America and the rest of the

country. In many instances, these highways provide the only type of transportation in rural areas and are the sole means of movement for people and business.

Mr. Chairman, Secretary Peña and Administrator Slater have described on many occasions how the NHS will be structured and its vital importance to the future of surface transportation in the United States.

I would like now to discuss why the routes of the NHS should be designated this year rather than waiting until 1995.

The answer to that question is easy: Why not?

Although ISTEA gives Congress until September 30, 1995—more than 14 months from now—to designate the NHS, there is no logical reason to postpone that action until next year. Delay would only mean that action would have to be taken amid the uncertainties of 1995 and the possibility that the deadline would be missed.

The consequence, as the Committee well knows, is severe. Without designation at the beginning of Fiscal Year 1996, more than \$6.5 billion in Federal funds that have already been approved could not be released to the States to support transportation improvements on the NHS. Mr. Chairman, to illustrate the impact of such a situation, I submit to the Committee a table showing the amounts that would be lost to each State if the NHS is not designated.

We have only to look at the current situation with respect to the Federal Airport Improvement Program to realize that deadlines are not always met and major disruption can take place.

One of the most compelling reasons for acting this year lies in the fact that the House of Representatives has already passed its version of the NHS bill, by a convincing vote of 412-12. While the House bill may contain some provisions that are not to the liking of the Senate, the fact remains that the NHS itself has been approved by the other body. ARTBA is confident that a Senate-House conference could resolve other differences.

Absent definitive action in 1994, the entire process would have to begin anew in January. We must remember that an election will be held in November. That will bring new Members to Congress, Members who will have to be educated as to the importance of the NHS and who may well have their own ideas about other issues to address in the bill.

Ever since Secretary Peña proposed the makeup of the NHS last December, there has been little, if any, objection to the routes he recommended. Should there be a need to alter the routes, the bill introduced by Chairman Baucus provides a mechanism for making adjustments.

With what appears to be virtually unanimous agreement on the routes, the States should be allowed to begin orderly planning for the needed improvements to the NHS. Enactment this year would remove the NHS from limbo and the work could proceed.

Finally, Mr. Chairman, the Committee may receive testimony today that advocates delay in designating the NHS or changes that would alter the system's character and purpose from that intended by Congress. Adoption of such proposals would be unwise and constitute a setback in developing the kind of total transportation system urgently needed by this country to strengthen its economic competitiveness.

Make no mistake about it, there are individuals and groups—well-intentioned and sincere—who would turn the NHS into a hydra-headed block grant program and leave the Nation without a single, unified highway network serving as the framework for an intermodal transportation system.

Mr. Chairman, once again ARTBA expresses its appreciation to you and the Committee for moving ahead with designation of the National Highway System. This legislative year is filled with more than the usual number of important issues, many of them highly controversial and several of them within your jurisdiction.

In this climate, the proposed National Highway System offers a unique opportunity. With the widespread support enjoyed by the NHS, enactment of the designation bill would be a strong affirmation to the American people that Congress stands ready to make well-founded investments in the future of our nation.

Good morning, Mr. Chairman and Members of the Committee. I am Les Lamm, president of the Highway Users Federation, the Nation's most diversified private sector organization dedicated to improving the safety and efficiency of our highway transportation system.

Enactment of legislation designating the National Highway System is the Federation's top legislative priority. I congratulate you, Mr. Chairman, and the cosponsors of S. 1887 for introducing that important NHS legislation in March. I also congratulate Secretary Peña and Administrator Slater for their timely submittal to you last December of the 159,000-mile proposed NHS.

We are pleased that you have indicated your intention to report S. 1887 soon for consideration by the full Senate. This hearing is an important step in that direction. We sincerely appreciate this opportunity to tell you why our members think this legislation will help meet our national goals of greater personal mobility, environmental improvement, and long-term economic health.

#### *Strategic Routes or Local Priorities—90 Years of Debate*

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) is properly placed among the few most important milestones in the long and continuing evolution of U.S. transportation policy. The NHS, in turn, is perhaps the key element of ISTEA. A little historical background will tell you why.

Though the U.S. Constitution clearly specified a national role in facilitating interstate commerce, instances of Federal support for transportation activities were sporadic in the first years of the Republic. While the Erie Canal, the National Road, railroad land grants and other such enterprises were largely successful responses to issues of the time, they did not lead to sustained Federal programs.

In the early years of the 20th century, the dawn of the motor vehicle era led to yet another national transportation policy debate—one which continues to this day. Should the Federal government provide financial assistance for road improvements? If so, for what purposes, and on which roads?

Protracted debate began as early as the 60th Congress, in 1907, with multiple bills introduced in both Houses each year thereafter. One early approach centered on creating a Federal mechanism to identify, build and operate a limited system of trunk routes. Another camp felt that the top Federal priority should be to get farm produce to railhead or market. The latter approach, led by rural members, especially from southern and western States, was authorized in the pioneer Federal Aid Road Act of 1916. \$75 million of Federal funds were authorized over 5 years to reimburse States for up to 50 percent of the costs, limited to \$10,000 per mile, of any public road carrying the U.S. mail, outside of places with 2,500 or more population.

In 1919, a further \$200 million reauthorization for Fiscal Years 1919–21, with few policy differences from the 1916 legislation, was approved, though only after considerable grumbling from the national system advocates.

#### *1921—The System Concept Appears*

The first few years of the Federal aid highway program coincided with World War I's unprecedented demands for long-distance freight movement. The railroads were clogged, and by necessity, spillover shipments by truck grew tremendously. Urbanized eastern and midwestern States, where the wartime traffic predominated, quickly noted that the Federal funds were diluted geographically, and did not provide good service between neighboring States (see Figure 1). Furthermore, the artificial per mile cost limit was a real problem.

In the less populous southern and western States, the basic need for creating a system of inter-county connections was hampered by many legislatures' insistence on spreading the small pool of money around to every county.

The Bureau of Public Roads had urged the States to classic their public roads and use the Federal funds on trunk routes, but early State efforts led to systems ranging from under 5 percent to more than 15 percent of their roads. In addition, the BPR reported that 75 percent of the "improved" roads had only earth or gravel surfaces, and were not usable for all-weather long distance travel.

By January 1920, the State highway departments and the BPR had agreed on a 3-year \$300 million proposal to be used to develop an "adequate national highway system connected at State lines." The bill passed in the House by an 8-1 margin, but was narrowly defeated in the Senate, and funding for 1922 was lost.

By April 1921 a compromise approach, to provide Federal funding for a system of not more than 7 percent of each State's rural public road mileage, was proposed in Congress. Three percent was to be roads "interstate in character", on which 60 percent of the funds would be spent, and the other 4 percent were to be inter-county in nature to continue serving rural needs.

Congressional debate, particularly in the Senate was long and heated, but the eventual Federal Highway Act was passed on November 9, 1921. The 7 percent Federal aid highway system was its centerpiece, reflecting the final dominance of the concept that:

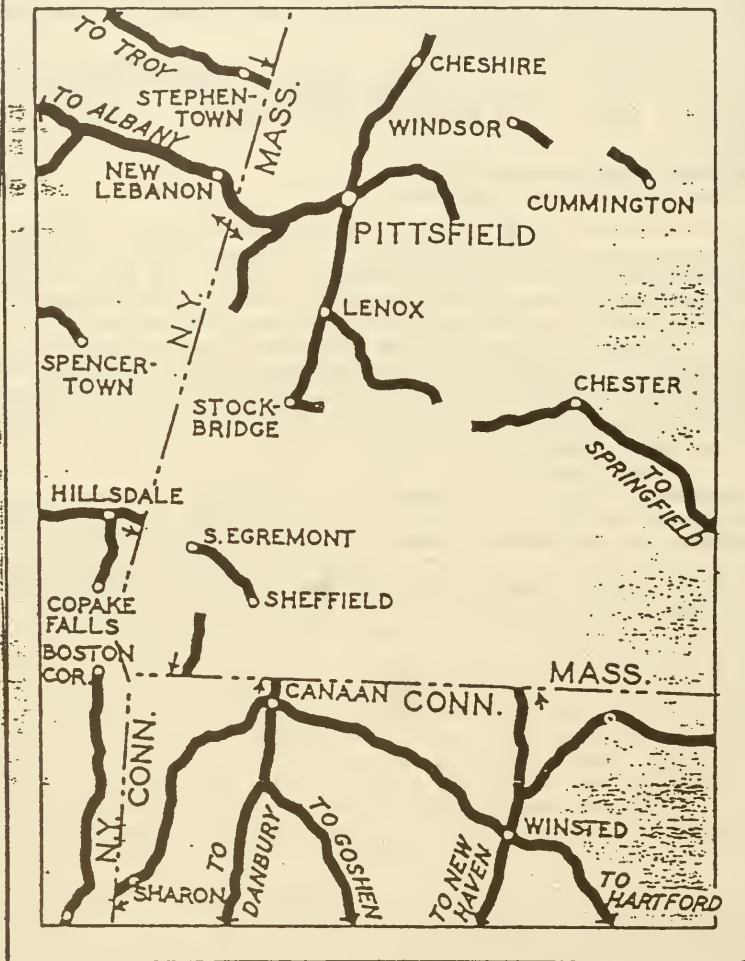
- a: Federal money is limited ; and
- b: Funds should be used strategically.

During the intervening years, the concept of concentrating Federal dollars on a specific high-value portion of the road network has persevered, though with several changes. Urban extensions were made eligible for funding in 1934, and the system was split into Primary (7 percent) and Secondary in 1944, when the Interstate System (then 40,000 miles, all included in the Primary System) was also created.

In 1970, the Federal Aid Urban System was established and the Secondary System was limited to rural roads. By 1975, the total mileage eligible for Federal funding peaked at nearly 975,000 miles or 25 percent of all roads and streets. Following a congressionally-mandated reclassification, the mileage at the time of the 1991 enactment of ISTEA amounted to:

Interstate			Primary			Urban System	Secondary System	Grand Total
Urban	Rural	Total	Urban	Rural	Total			
11,603	33,677	45,280	33,919	226,027	259,946	148,291	400,309	853,826

# 1916 THE STATE LINE



The frequent system and program changes between 1921 and 1991 resulted from a number of factors. Obviously the massive 70-year growth in the extent of highway usage has led to frequent, and healthy legislative changes. The highway program has always looked to the future, not the past.

The initial system limit to rural roads reflected the inability of sparsely populated areas to provide enough infrastructure funds for their needs, which still holds true today. It was clear in the 1920s, though, that cities had led the Federal government, effectively providing for road and bridge improvements on their own. This situation has not been true for many years. These two trends led Congress gradually to make additional local priority facilities eligible for Federal funding.

In the years since 1956, the obvious top Federal initiative has been to construct and later to upgrade and rehabilitate the Interstate System. Ten years ago, in 1984, for example, over 50 percent of the Federal funds were focused on Interstate programs.

While this emphasis resulted in the completion of the world's grandest network of strategic highways, with both super-scale benefits and perhaps massive unintended consequences, the system and its construction program will not be sufficient to guarantee continued economic health for U.S. industry in the highly competitive decades to come. It is a 50-year old system, laid out before NAFTA, before just-in-time logistics, before large scale tourism, etcetera, not even fully serving today's travel demands, and travelers around the country recognize that the older segments are worn out.

And a final, vital factor: Federal funds were not, are not now and will not be in the future adequate to fully fund all the worthy national, State and local needs. Congress in 1991, as in earlier times, would have to make tough choices. Activities which were merely worthy would have to make room for the vital priorities.

Thus, the framework for a great legislative balancing exercise, to meld the desirable with the attainable, to achieve a complex package where no interest gained its complete agenda, but where no one was overlooked.

A desire for more dollars to solve local problems and more local level autonomy led to new flexible programs (STP, CMAQ) and new Federal, State, and local decisionmaking roles.

And the need for continued Federal attention to strategic highway facilities to carry our economy into the 21st century resulted in Congress authorizing the National Highway System, subsequently submitted on time and under the mileage budget by Secretary Peña, approved by the House in H.R. 4385, and the subject of today's hearing.

The results of the Congressional effort for balance can be seen by looking at ISTEA highway authorizations for 1995. In round numbers, the new funds will amount to \$20 billion. Of this total, about \$10 billion will be devoted to national strategic needs (Interstate Construction, Interstate Substitution, Interstate Maintenance, NHS, half of the bridge funds), and the remaining \$10 billion will provide for highway bridge and transit needs as seen by State and local officials. Of course, in 1996 and 1997, \$2 billion will shift from the national strategic pool into the State/local flexible programs, but nevertheless, there is great balance this year.

The strategic focus of the NHS program is key to preserving that balance.

#### *Travel Demand vs. Highway Investment*

With that historical context in mind, let's look at the numbers that justify this strategic investment in highway improvements.

The Federal Highway Administration's 1993 report on the condition of our highways and bridges indicates we should be spending \$51.6 billion annually just to maintain highways and bridges in their current condition (more than \$67 billion annually if we want to improve them). Yet, in 1992, Federal, State, and local governments invested just \$38.7 billion in highway capital improvements. Meanwhile, pavements on 10,500 miles of Interstate highways and 54,400 miles of non-interstate arterials (most of these would be part of the NHS) were rated in mediocre to poor condition. And nearly 187,000 bridges on Interstate and non-interstate arterial highways were rated deficient and in need of repair or replacement.

ways to fall \$4.4 billion short of the mark Congress set in 1991 for the first 3 years of ISTEA. While current highway user fees could support a substantially larger Federal program, Federal resources clearly are not sufficient to provide the additional \$17+ billion per year necessary just to maintain current conditions on our total road network.

And while investments are deferred or spread too thinly, demand on our highway infrastructure is on the rise. 1990 census data indicate clearly that highway travel has increased substantially over the last two decades, and more recent studies indicate that demand will continue to increase if the economy grows at even a modest pace. More and more Americans are voting with their vehicles for greater mobility and more personal freedom by opting for travel by highway.

Here are some facts about U.S. transportation: highways carry 82 percent of all intercity passenger miles, 94 percent of all urban commuter miles, and 82 percent of all tourists. And despite the importance of railroads, pipelines, and waterways, trucks carry 78 percent of the dollar value of all freight moved in the U.S. That's how we move people and goods in this country. The magnitude of those numbers alone is a persuasive argument for investing in a National Highway System.

But there's more. Between 1980 and 1990, the number of passenger cars increased almost twice as fast as the population, and 22 million more commuters drove to work. Since 1970, travel by car has increased by 75 percent and travel by heavy combination trucks has more than doubled.

The American Trucking Associations commissioned a study this year to look at the impact of economic growth on the trucking industry. That study shows that even a modest 2.5 percent annual economic growth rate will, by the year 2000, result in 28.5 percent more freight moved by truck, 26.5 percent more miles driven annually, and 10 percent more vehicles on the road. In other words, that's the bare minimum increased truck travel we can anticipate as our economy grows to provide more jobs and a higher standard of living for all Americans.

More jobs and a higher standard of living are goals all of us support. The question is how to accommodate the increased private and commercial travel necessary to make those goals attainable. The answer is to focus our limited resources on a strategic system of highways and bridges where we'll get the most bang for the buck in terms of increased productivity and greater mobility. That's the NHS.

#### *American Business Supports the NHS*

Mr. Chairman, it's not just the "highway lobby" or transportation-oriented businesses that support the NHS. I am pleased to serve as chairman of the National Highway System Subcommittee of the U.S. Chamber of Commerce's Transportation Infrastructure Task Force. This task force was created last year to recommend policy to the U.S. Chamber's Board of Directors on transportation infrastructure matters. The task force consists of 70 executives from a broad spectrum of the Chamber's membership, representing small businesses, chambers of commerce, and all the major transportation modes, including both users and providers. This group is unique because it places special emphasis on the needs of the users of transportation infrastructure, particularly small businesses.

This task force is the transportation voice for 215,000 businesses, 3,000 State and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad. The Chamber's diverse membership challenges the task force to find issue areas that affirm the mission of the Chamber: that is, issues that are national in character, timely in importance, general in application and of significance to business and industry. Moreover, the task force was responsible for identifying issues reflecting its mission statement of:

1) promoting the link between a sound transportation infrastructure development program and our Nation's economic productivity, international competitiveness, and quality of life through the active participation of both the public and private sector in funding and management; and

2) promoting public and private initiatives that emphasize cost effective and environmentally responsible progress in the development of a transportation infrastruc-



ture in order to maintain and improve economic growth, jobs, safety, mobility, and interconnectivity.

All these factors were considered when the Chamber's Board of Directors endorsed the recommendation of the task force to "urge the immediate enactment of the National Highway System Designation Act of 1994 as a first step toward a transportation system which is national and intermodal in its scope."

The Chamber of Commerce's active support for the NHS is attributable to one simple fact: American business depends on good highway transportation. The NHS will provide access to new markets, increase industrial productivity, reduce the loss of life and property due to highway accidents, and lower U.S. transportation costs. As a result, American products will be more competitive at home and abroad. And more competitive products means more jobs for American workers.

For those reasons, the Chamber of Commerce urges Congress to enact the NHS this year. Wearing the hat of the Chamber's subcommittee chairman, I am pleased to convey that message to you today.

### *NHS Benefits*

As I've indicated, the NHS is truly an economic necessity. But it is more than just a necessity. This strategic investment program will be a boon to our standard of living—providing more employment and housing opportunities, greater freedom, and better access to recreation destinations—and it will mean life itself to thousands of highway travelers who will benefit from the enhanced safety of wider lanes, longer sight distances, roadway shoulders, guardrails, incident alert signals, and other improvements.

At current authorization levels (\$6.5 billion per year), the NHS program will generate over 250,000 jobs annually. Most of those are good-paying jobs in project design and construction and the service and materials supply industries.

NHS improvements—for example, lane widening, HOV construction, bridge modernization, volume-sensitive traffic signals, and other IVHS-type improvements—will keep traffic moving more smoothly, cutting congestion. That will reduce the estimated \$40 billion per year economic loss caused by congestion in our major urban areas. It also will improve air quality and reduce commuter hassles, making our cities more livable. As urban areas begin activating their congestion management systems, it will be clear that NHS improvements will be a key element of areawide strategy in all urban regions.

The NHS to be designated in S. 1887 includes 53 border crossings with Canada and Mexico. That's an increase from only 16 Interstate System border crossings, promising top-quality transportation links with our most important international trading partners.

By providing better access to travel destinations, the NHS will provide a better, safer vacation for U.S. citizens and the 44 million international visitors who travel here annually. Over 80 percent of those recreation travelers reach their ultimate destination by autos, vans, and buses over the U.S. road system.

Over 75 percent of the lane miles in the proposed NHS are located in rural America. This strategic highway system will help move farm products to market faster and at less cost, helping to sustain employment opportunities in our agricultural heartland.

While approximately 60 percent of U.S. households are now within five miles of an Interstate, nearly 90 percent of all households will be that close to an NHS route. Likewise, 95 percent of U.S. businesses will be within five miles of an NHS route, compared to 70 percent that are close to an Interstate today. This will bring quality highway service to approximately 72 million more Americans.

Finally, and perhaps most importantly, the NHS will save lives and reduce the number of injuries and the millions of dollars in economic losses caused annually by traffic accidents. Widening a lane by one foot on a two-lane rural road would reduce accidents by 12 percent, according to FHWA data, and increasing roadway "recovery distances" from 4 feet to 14 feet reduces accidents by 25 percent. Those are exactly the type of improvements to be expected on many NHS routes, and with those relatively simple but sometimes costly safety improvements, we can save hundreds of lives and thousands of injuries each year.

## *NHS: Preserving Its Strategic Value*

There are three components of the NHS that are crucial to its ability to perform as you designed it:

- NHS routes must serve strategic transportation needs, providing service across national, State, and local borders.
- In order to continue appropriate improvements on NHS routes, dedicated funding must be set at a minimum of \$6.5 billion per year—the current level.
- The NHS must allow added highway capacity improvements where appropriate, in order to accommodate increased traffic as specific areas experience economic growth.

An NHS program with those characteristics will provide the Nation with a border-to-border, coast-to-coast network of strategic highways that connect other transportation facilities and truly serve as the backbone of our national transportation system. A program without those characteristics will not. It is that simple.

Therefore, the Federation would urge the Committee to reject modifications to the NHS concept that would: 1) permit State or local officials to delete NHS routes and substitute non-highway facilities; 2) require States to suballocate NHS funds to metropolitan areas; 3) limit the use of NHS funds for new construction and other capacity-expansion projects; or 4) in general, modify the sound NHS provisions Congress enacted less than 27 months ago in ISTEA.

ISTEA placed considerable new emphasis on funding flexibility and more State and local control in establishing transportation plans and priorities. We believe the enacted concept of the NHS is one of the most effective elements of ISTEA, and it already provides sufficient opportunity for local participation and independent oversight.

FHWA has already reported to the Committee that NHS routes were designated through the State and metropolitan planning processes and that metropolitan planning organizations signed off on routes designated in their jurisdiction. Moreover, any NHS project undertaken in the future in metropolitan areas must be consistent with the required State and metropolitan transportation planning process.

In addition, NHS funds are already extremely flexible. Up to 50 percent of the funds can be transferred to other categories at the State's discretion, and the remaining 50 percent can be transferred with the approval of the U.S. Secretary of Transportation. Frankly, these provisions concerned us when they were enacted, lest strategic long-term system needs be subverted to other local priorities. Nevertheless, we were willing to accept the Congress' intended balanced approach under ISTEA, and we are not proposing that these provisions be modified.

Also, it is clear that NHS projects, like all other Federal-aid highway projects, will have to meet applicable Federal and State environmental laws, including heightened standards for public participation and review. In clean air non-attainment areas, NHS projects will be subject to the same rigorous requirements to ensure compliance with the Clean Air Act as any other Federal-aid highway project. Those projects that do provide additional highway capacity will be particularly closely scrutinized. Supplemental arbitrary restrictions are clearly not warranted.

Finally, as the links which provide access to ports, airports, rail terminals, and mass transit stations, NHS routes will be improved to permit the intermodal efficiencies that are the vision and promise of ISTEA. In that context, a program to focus Federal funds on this critical transportation link is not only consistent with, but vital to, the new emphasis and direction of ISTEA.

We urge Congress to keep in mind the strategic interstate and inter-regional travel purposes of the NHS program and its relation to the STP and other programs designed to maximize flexibility and local influence on funding decisions. In order to retain ISTEA's original balance, we urge the Committee to reject any proposed substantive changes to the administrative structure established in ISTEA. (I would note, though, that the Highway Users Federation does support the provision of S. 1887 that permits limited system changes, within a total limit of 165,000 miles.)

### "Real World" Significance

This year, the Federation surveyed some of our member companies to gain some "real world" insights about the importance of the NHS in meeting the needs of U.S. business. We found that while our member companies use every available mode of transportation, they have been relying to an increasing extent on top quality highway service to reduce their transportation costs and to improve productivity. And they often make big investment decisions based on the availability of such quality highway transportation.

U.S. Steel, for example, says good highway access "was a key factor in locating a 600,000-ton annual capacity galvanizing plant at Leipsic, Ohio." And that same good highway capacity is essential for the just-in-time deliveries that now account for one-quarter of all shipments to and from U.S. Steel plants (up from one-fifth of all shipments 5 years ago). NHS funding might help Pennsylvania officials make improvements to eliminate the extreme congestion that drives up transportation costs by delaying 200 trucks per day serving U.S. Steel's Mon Valley Works Irvin Plant in Dravosburg, PA.

Just-in-time deliveries account for 70 percent of all shipments to and from facilities of the Cooper Tire and Rubber Company. As a result, 90 percent of the company's freight bill is carried on trucks. Cooper's traffic manager says,

"Our customers consist of many independent tire dealers. They don't restock until their inventory is depleted—then they want the product immediately. Therefore, a good highway system is critical to provide our customers the transit service they require."

Good north/south and east/west highway service was a key factor in locating a Cooper Tire and Rubber plant near Moraine, Ohio.

Chrysler Corporation says 65 percent of all freight shipped to and from its facilities goes by truck. That translates into 1,700 trucks carrying \$85 million worth of goods for Chrysler on the average business day. And 91 percent of those shipments arrive just-in-time (up from 67 percent 5 years ago). That's high-volume traffic serving highly efficient production sites, and a high-quality road network is essential for it to work.

The 3M Company says over 5,000 trucks per day are employed carrying goods to and from its plants. Many of 3M's largest customers require just-in-time deliveries as part of the service contract, and 3M says poor pavement conditions and congestion in many areas increases transportation costs for the company and its customers. Better highway access was a prime consideration when 3M relocated an international distribution center from St. Paul, Minnesota to DeKalb, Illinois.

On an average business day, the Mobil Oil Company has 745 trucks on the road carrying \$23,200,000 worth of product. A Mobil official told us,

"Our philosophy has been just-in-time for many years. We concentrate on minimizing the time between customer order and delivery, thereby reducing inventory carrying cost for the customer and for us."

Mobil finds that traffic bottlenecks and low-capacity freeways in most metropolitan areas—particularly Los Angeles, Chicago, and the Washington, DC suburbs—are driving up transportation costs. That's the kind of problem the NHS program is designed to solve.

General Motors Corporation has become a leader in the shift to just-in-time deliveries. Five years ago, GM relied on just-in-time for 20–25 percent of its shipments. Today, that figure has jumped to 90–95 percent. GM offers the following example to illustrate just-in-time efficiencies that translate into lower transportation costs and a boost in productivity:

Using specialized high-cube, drop-frame trailers, JET's company drivers and owner-operators travel 230 miles from Morain, Ohio to Pontiac, Michigan to meet a 15-minute delivery window. The contract with GM calls for JET to make 23 deliveries a day beginning in February and increase to 70 a day in April."

That's 23 trucks in the beginning, growing to 70 trucks with a few months of practice, Mr. Chairman, in a 15-minute delivery window. And the delivery is 230 miles

back on top in the auto industry, and it's the kind of efficiency that will be necessary for American businesses to compete in the 21st century. That kind of efficiency depends on a top-quality highway system.

I highlight these few examples, Mr. Chairman, to illustrate the important role that a good highway system plays in keeping American business in business. The decisions this Committee and this Congress make with respect to the structure and funding of the NHS program will have direct and long-lasting implications for businesses deciding where to locate production facilities and what markets they can afford to enter. Strategic investments in a coast-to-coast, border-to-border National Highway System will help sell our products and create jobs for future generations of Americans. That's the bottom line.

#### *1994 Enactment*

I've told you why our members put the NHS at the top of our legislative priority list. Let me close by telling you why we believe it's important for Congress to enact NHS legislation this year.

Obviously, the September 30, 1995 statutory deadline makes it possible for some to expect the legislation to languish this year. Indeed, the prospect of Congress acting on legislation a full year before the deadline has elicited smiles of disbelief in some offices both on and off the Hill.

Yet, we know you are committed to enacting legislation this year, if possible, Mr. Chairman. Other Senators have indicated to us their strong support for action this year. Secretary Peña and Administrator Slater have testified to the Administration's support for NHS enactment in 1994. And your counterpart in the House of Representatives, Chairman Mineta, has told us he will do everything in his power to reach agreement with you on NHS legislation that President Clinton can sign.

With your leadership, it is possible for Congress to reduce both legislative and highway gridlock by enacting NHS legislation without the pressure of a looming financial deadline. And there are good reasons to do so.

First, language in H.R. 4385 designating the NHS is very similar to the language of S. 1887. Both bills would establish an NHS program with broad support in the Administration, on both sides of the Hill and both sides of the aisle, and in the private sector. However, other legislation has already been introduced in the House that would fundamentally alter the NHS program. If you wait until next year and that legislation—or elements of it—gain support in either the House or the Senate, support in the private sector will splinter and the opportunity to move legislation swiftly may be lost.

Second, next year will bring a new Congress with new Members and some committee reorganization on both sides of the Hill. Reorganization alone is likely to slow down progress on legislation by a month or two, substantially increasing the odds that NHS funds will not be apportioned to the States on October 1.

Third, as the statutory deadline draws nearer, pressure will build for Congress to act. But the pressure really builds only for those who particularly care about getting the NHS enacted in time to prevent a funding cut off. Waiting until the last minute may lead to long debates over specific provisions of ISTEA, and your deadline will not be met.

Fourth, although Senators have expressed concern about the number and cost of demonstration projects included in the House bill, there are several reasons to believe it may be preferable to resolve that issue this year rather than waiting until 1995: a) the House bill passed 412-12, suggesting the strong possibility that projects—perhaps even more projects—would be included in House legislation next year, too; b) for the first time, the House bill rescinds unused funding from previous transportation bills to help offset the authorization for projects; and c) the strong interest among House Members in reaching agreement on demonstration project funding before this Congress adjourns may make it possible to lock in some permanent cost-control mechanisms, setting a precedent for treatment of such projects in the future.

Fifth, Senators have also expressed concern about some other provisions included in the House bill. I would only note that several potentially controversial issues

were either avoided entirely or addressed in such a way as to eliminate much of the controversy. Whether or not the House committee leadership would be able to forestall those controversies again next year is anyone's guess.

Finally, while we are pleased that Secretary Peña and the Department of Transportation staff are working to identify the elements of a National Transportation System and to determine the appropriate Federal role in supporting it, we are concerned that work on the NTS and any controversies it may engender will divert attention from the NHS legislation and slow its progress next year. In testimony at the Committee's June 6 hearing in Bozeman, MT, Secretary Peña urged Congress to act on NHS legislation this year, saying "we cannot have a strong National Transportation System without first laying its foundation—the National Highway System." We strongly agree.

Again, Mr. Chairman, we congratulate you and your committee colleagues for moving the NHS closer to enactment with this hearing. The Highway Users Federation is committed to working with you and your House colleagues to get NHS legislation enacted in 1994.

With this written testimony, I submit for the record a letter signed by 22 national organizations urging Senators to cosponsor S. 1887 and support final action on the NHS this year. I also submit for the record a statement of support for the NHS issued in May by 50 national and State organizations and corporations.

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#### STATEMENT OF AL EISENBERG, SURFACE TRANSPORTATION POLICY PROJECT

Good Morning Mr. Chairman and Members of the Committee, I am Albert C. Eisenberg, Senior Director at the American Institute of Architects and Architects and Steering Committee Member of the Surface Transportation Policy Project (STPP). I am also a member of the Arlington, Virginia County Board and in that capacity serve on several land use and transportation panels in the Washington Metropolitan area.

STPP is a non-profit coalition of over one hundred groups, including AIA, whose mission is to reform transportation policy to be socially equitable, energy conserving and environmentally sensitive. STPP believes that the effort to designate the National Highway System (NHS) offers an opportunity for the Senate to embrace ISTEA's call for a National Transportation System in which people and communities matter and to ensure that the NHS is integrated with the overall direction of ISTEA. We appreciate the opportunity you have given us to express our views today on the proposed National Highway System.

Mr. Chairman, you and your colleagues can take great pride in the enactment of ISTEA. Your work established monumental, visionary legislation with enormous potential for benefiting this Nation's economic and social progress. As we applaud this law, we know that its potential will be realized only if it unfolds at the local and State levels as intended. We are here today because we are concerned that the proposed NHS meet the spirit of ISTEA, and fit within the provisions that make the act so vital to this country, its communities.

ISTEA represented a major change in direction for Federal transportation policy—away from a focus on meeting simple projections of demand and toward a focus on a balanced system which attempts to respond to the needs of people and communities. Protecting the Federal investment in a system of national highways is a critical part of this effort, but so is the provision of key intermodal connections to our freight modes and so is the effort to provide for transit and non-motorized alternatives to the automobile. The NHS should be seen as a subset of a National Transportation System (NTS).

Clearly Secretary Peña agrees with us. In his announcement of a National Transportation System on December 9, 1994, the Secretary commented "In our view, the NTS should incorporate the most significant elements of the Nation's transportation systems—including airports, ports, waterways, rail, intercity bus lines, pipelines and local transit systems. It should include systems moving both people and freight; and facilities owned by both private businesses and governments."

We applaud the Secretary's national outreach effort that began this Spring aimed at soliciting public comment on the purpose, function and extent of the National

was gratified when Secretary Peña chose to go forward with it. We believe that the way this effort is carried out is critical, however, for the last thing America needs is to extend the concepts of cost to complete, or demonstration projects to all the modes. STPP believes that the focus for the NTS was suggested by Secretary Peña in his speech at Union Station in December—economic efficiency.

The focus of the NHS should not simply be a facility focus or a set of lines and dots on a map. Instead it should be a critical examination of the key impediments to achieving a national system that meets the goals identified above, with a special focus on strategic economic investment. The National Transportation System must reach beyond facilities to incorporate the new intermodal philosophies that have been so successful in the private sector delivery of freight. There the focus is on the customer and upon throughput—the entire trip rather than links in the chain, the movement rather than the facility.

Although we believe the Secretary understands the need for an NTS, we do not think the Administration's bill goes far enough. It particularly concerns us that the United States Department of Transportation's (U.S. DOT) proposal for an NHS includes 21 high priority corridors featuring major new Interstate type road alignments and 16 new beltways around metropolitan areas. These projects are not in approved plans, will involve a commitment of billions of dollars to the States that included them on their maps and could have a significant impact on future appropriations. This hardly allows for a "clean" bill.

We believe that any NHS projects, their connections to intermodal facilities, and any modifications to the NHS in the future should all be anchored in ISTEA's planning process at the metropolitan and State level, as provided for respectively, in Sections 134 and 135. These activities should involve the full participation of the public, which is a hallmark of ISTEA. It is our position that the first priority of NHS investment should be restoration, resurfacing and rehabilitation of the designated system. This could be accomplished by requiring that States demonstrate adequate NHS maintenance through their management systems. We also believe that capacity expansion should be undertaken only if States can assure that the NHS is adequately maintained.

At the same time that ISTEA provided for its planning process, it also required that Congress designate a National Highway System and map to show it. According to the Department of Transportation, the NHS provides the means to facilitate the integration of highway, waterway, rail, and air systems by providing access to major ports, airports, intermodal transportation facilities, and public transportation facilities. "In effect," states the Department, "the NHS will link all modes of travel to provide a seamless transportation system." The key concept embodied in the NHS is linkage of modes, whether "by road, rail, transit, air, water and pipelines," and of intermodal facilities on a national and international scale.

Yet the proposed NHS and its relationship to the planning process is currently unclear in the law. The proposed NHS is rooted in a map that the Department of Transportation submitted to Congress in 1991, and which is referenced in the ISTEA. STPP and its members fear that the NHS may become a vehicle for further disinvestment in the Nation's metropolitan areas, as there is no provision within ISTEA for ensuring that a fair share of NHS funding is provided to these areas where most of the people live and most of the congestion and air quality problems reside. We strongly support a national system that ensures a fair return to all areas (e.g. metropolitan, small town and rural areas based on population). STPP has found that most States are ignoring the critical congestion and maintenance needs of their most populated urban areas by obligating their NHS funds outside urbanized areas and channeling these funds toward traditional road projects.

STPP is further concerned that the NHS not become an inflexible system with national design standards. We support flexible design and construction standards that will provide States with flexibility for the consideration of environmental, safety, scenic, community and historic preservation concerns and enhanced access for bike and pedestrian traffic. In the past, these design standards have been the pretext for much capacity expansion, much disruption of communities and the environment and much damage to historic, aesthetic and scenic values.

The routes on this map, the changes proposed by the States, and the map sent to Congress by this Administration were not developed according to ISTEA's planning process because these routes, both existing and planned, predated the act. Of the routes selected for inclusion by the Department of Transportation, only 2 percent of the mileage would be new, and those are already included in existing State plans or in an identifiable stage of implementation. While the balance of routes may be existing, it is unclear whether their future involves just maintenance as highways, expansion for the purpose of chasing the automobile, or incorporation on non-highway modes, such as transit or bicycle trails, all allowed under the law's flexibility provisions for NHS funds.

Since the passage of ISTEA, States and localities have experienced a complicated period of transition from the old way of doing business to the new. Change was not expected overnight and it is slow in coming. Metropolitan Planning Organizations (MPOs) have operated under general guidance from the Department of Transportation since the spring of 1992. Clean air conformity regulations affecting transportation plans did not become final until July 1993, and State and metropolitan planning regulations did not become final until October 1993. Adoption of Long-Range Plans at the metropolitan level is not required until the fall of this year, and not until next year for States. Meanwhile, States have had to enact new State formulas for allocation of funds to regions and to metropolitan areas according to ISTEA's new funding categories.

New working relationships and cooperative procedures have had to be established among cities and counties within the same metropolitan area, and between metropolitan areas and their States. New mechanisms for involving the public have also been developed, and some are not yet readily available or workable. Since transportation planning must now involve determining the performance of projects, modes and systems in comparison to one another, planning has become more complex. The establishment of an NHS as part of a larger National Transportation System, adds still more complexity to the task.

The Administration proposes that the Congress adopt language approving the designation of the NHS, as required in ISTEA, and further proposes a process for subsequently completing identifications of intermodal connections and for making wide-ranging modifications, employing the metropolitan and statewide planning process established in Sections 134 and 135 of the Act. The Administration's legislation underscores the proposition that the NHS should not exist in isolation, but as part of an integrated system of modes and intermodal facilities.

We agree with these provisions, but again, we do not believe they go far enough. A reading of the proposed language makes it clear that unless the States propose new National Highway System segments, including intermodal connections, or deletions of existing route segments and connections, projects advanced on designated NHS routes may stand outside the planning process. We believe it would be a mistake to set up a modern planning system to guide transportation decision-making, and then to establish an NHS that does not arise from that system. This would inject unwarranted confusion into an already complicated work program for States and MPOs. Also, to the extent that any of these routes embody the deficient results of the past's inadequate approaches to transportation planning, they are ill-equipped to contribute to transportation's future.

Incorporation of the designated NHS into the ISTEA planning process is the only way that States will be able to determine what routes should be deleted or modified, without inadvertently undermining the NHS. At the very least, projects proposed for funding on the congressionally-designated system should go through ISTEA's planning provisions, and the Department's report to Congress on the proposed NHS says explicitly that this will be the case. The recommended legislative language however, appears to reserve that requirement only for modifications to the designated map. In addition, there is no explicit direction to involve the public in decisions about developing the routes, either those designated by Congress or those modified through the State and metropolitan planning process. This omission just compounds the failure to involve the public in a meaningful way at the earlier stages of the NHS development and designation process.

planning process. There is also every reason to make part of a planning process involving the NHS, for the congressionally-designated routes as well as for any modifications in the future. For one thing, to bring all the decisions about the NHS and the NTS into a consolidated planning framework just makes common sense in the spirit of the National Performance Review, which calls for a better investment of public funds. To have 159,000 miles of highway routes lie outside the planning process and the citizen participation process treads on the basic tenets of that review and the Administration's emphasis on empowerment, efficiency, and coordinated planning.

Validating the NHS through ISTEA's planning process also makes certain that the designations truly contribute to ISTEA goals, correcting deficiencies in the previous approach to decisionmaking. This means that NHS routes and projects or activities proposed for them will be placed in a larger framework, measured against standards of efficiency, performance, cost-effectiveness, positive effect on social, economic, and environmental needs, intermodalism, transit usage, and community goals and values. It would provide an organized, systematic means of making choices among competing projects and activities that are demanding the same limited dollars. It would ensure consideration of all options. Finally, it would make certain that the NHS properly performs its function of supporting the National Transportation System the Administration envisions.

In sum, as Secretary Peña pointed out, it is time to correct the "distorted lens" through which we view transportation decisions. It's always easier to look at one part of the picture, but it's more effective to step back and take in as much as we can.

The initial process for NHS designation took place outside of the planning, metropolitan, and management systems processes under ISTEA. If ISTEA is to exceed more than minimal expectations—indeed, if the NHS itself is to exceed as an efficient and productive system—the NHS must be closely linked to metropolitan and State planning to assure adequate maintenance, community preservation, and improved air quality.

STPP's proposals for this Committee's NHS legislation attempt to focus on what we see as the national needs: assuring maintenance and rehabilitation, dealing with system performance where it is most threatened, ensuring a fair share of NHS funds to metropolitan areas based on population and an intermodal set aside, focusing on improvements with high economic payoff such as freight connections at ports, airports and the like.

The NHS has the potential to be part of a still greater contribution to our Nation's public works, the NTS. It is a daunting challenge to take a wider view of the question of national transportation priorities, but the payoff for such an effort is greater efficiency at a lower cost to taxpayers. Secretary Peña has pointed out that improving our Nation's transportation efficiency by 1 percent in economic efficiency could save \$100 billion over 10 years. Simply taking stock of our existing systems and linking them through better planning, coordination, management and assessment will more than get us that 1 percent improvement.

Mr. Chairman, that concludes my testimony. I am pleased to answer any questions you or Members of the Committee may have.

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STATEMENT OF WILLIAM J. ROBERTS, LEGISLATIVE DIRECTOR, ENVIRONMENTAL DEFENSE FUND

INTRODUCTION

On behalf of the Environmental Defense Fund (EDF) and its over 200,000 members, we appreciate the opportunity to testify before the Committee on the designation of the National Highway System (NHS).

As you know, there has been considerable discussion over the past several years on the impact of so-called environmental "unfunded mandates." One recent environmental law that created a number of new State and local obligations was the Clean Air Act Amendments of 1990 (CAAA). However, whatever the merits of these argu-



ments in other contexts, the adoption of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), at least theoretically, provides ample funding for transportation-related CAAA obligations.

Unfortunately, the reforms in ISTEA have not fulfilled the promise of adequate financial assistance to urban and suburban areas afflicted by unhealthy air. The funding priorities set forth by ISTEA have been ignored by State departments of transportation as obligation authority has been disproportionately tilted to traditional highway programs—such as the National Highway System and Interstate Maintenance—and away from programs that could help CAAA compliance, such as the Surface Transportation Program and the Congestion Mitigation and Air Quality Program. In addition, funding eligible for intermodal flexibility has rarely been used for modes other than highways.

Perversely, transportation planning decisions, which could guide investments to environmentally and economically productive investments, have been ignored in the development of the NHS map designation before the Congress. Finally, the provision of dedicated funding for certain large metropolitan communities in the STP program has been undermined by State decisions not to fully obligate funds for the STP program.

EDF and many other environmental organizations are deeply concerned that the goal of clean and healthful air in the Nation's cities is being undermined through the implementation of ISTEA. The intent of this Committee and others in Congress was to provide meaningful relief to the Nation's polluted cities in their efforts to reduce transportation-related pollution. We believe that the designation of the NHS is a vital opportunity to fulfill the congressional commitment, begun in 1990 and 1991, to help America's cities clean their air.

#### RECOMMENDATIONS

In order to fulfill the promise of the CAAA and ISTEA, EDF believes that the President's NHS proposal must be amended in several important respects. We believe that each of these changes will enhance the transportation objectives of ISTEA, as well as improve our ability to meet the Nation's clean air goals.

1. *Suballocation to Metropolitan Areas.* As noted earlier, we strongly believe that the Nation's nonattainment areas need help to address their CAAA obligations. Although some funds were required to be allocated to metropolitan regions in the STP program, it is clear after 2 years of funding decisions that NHS projects have bypassed these areas. Even though 75 percent of the Nation's population live in urban and suburban communities and 81 percent of travel occurs in these areas, States spent 70 percent of their NHS funds in non-urbanized areas (less than 50,000 population).

Even setting aside clean air concerns, this allocation of resources also makes no sense given the distribution of the Nation's congestion problem. Only 2.1 percent of rural principal arterial mileage is experiencing congestion, compared with 70 percent of the urban Interstates experiencing severe congestion. EDF believes that the Congress should follow the model of the State of California and require that NHS funds be suballocated to large metropolitan regions suffering air pollution and congestion problems.

Nothing in this proposal would affect apportionment decisions made in ISTEA. It would simply rearrange the distribution of obligation authority within the States. Also, States without metropolitan areas in excess of 200,000 population would not be affected at all, nor would States who already obligate reasonable NHS funds to their large urban areas. Such a change would only set a floor for metropolitan funding in the NHS program.

Given the overwhelming importance of these large urban and suburban centers to the Nation's economy, targeting some NHS funds for their use makes economic and environmental sense.

2. *Intermodal Investments and Flexibility.* Another major shortcoming of the ISTEA implementation has been the failure to use funding flexibility. ISTEA clearly and unequivocally permits the use of Federal transportation funds for a wide variety of modal alternatives; flexibility that is available for NHS funds. Regrettably, STPP has found that very little funding has been made available for intermodal or non-

transferred to the STP program for potential multimodal purposes. The commitment of Secretary Peña and the Administration to a truly multimodal transportation system is severely undermined by funding decisions that single-mindedly focus on one mode.

As a result, EDF supports requiring States to set aside at least 10 percent of their annual NHS funds for non-highway, intermodal projects. We believe that this set aside requirement will jump start efforts to expand the use of Federal funds for other modes. EDF continues to support substantial State and local authority of project selection and funding decisions, but our experience with the early implementation of ISTEA makes clear that States and MPOs require some additional incentives to redirect funds to non-highway purposes. This intermodal set aside could help achieve this objective.

3. *Planning Should Design the NHS.* One of the most egregious shortcomings of the proposal NHS designation is that it was drawn long before State and metropolitan requirements in ISTEA were fulfilled. Congress has before it a map that was developed without public involvement, without selection criteria, without an environmental, energy or even economic analysis, and without consideration of the many planning factors set out in the ISTEA amendments.

One of the more glaring examples of the shortsightedness of this proposal is the inclusion of several major new beltways in areas that already suffer severe air pollution problems. For example, the map includes a major new beltway around Atlanta even though Atlanta is currently classified as a serious nonattainment area. How can Congress designate such a major new facility before anyone at the State or MPO level has determined it would comply with the requirements of the Clean Air Act? The Administration does not propose amending the Clean Air Act as part of its designation legislation, so we believe that any new roads proposed should be conditionally excluded from the map until the facilities have been shown to comply with the Clean Air Act.

But, the inclusion of these beltways is only an example of a larger problem. There is a real risk that the designation of the NHS will lock into place a system of roads and highways that may not be fully adaptive to changing economic trends, planning objectives or environmental goals. Many of these objectives will not become clear until State and MPO long range plans are completed over the next few years.

EDF believes that, in order for the NHS to serve its stated purpose of identifying the most significant roads and highways in America, it should be a dynamic map that can be readily amended to reflect changing circumstances—such as changes in planning goals and targets. Congress should explicitly allow the NHS map to be altered by States and MPOs as they see fit, as long as the Secretary ensures that the national interest in the NHS is preserved.

This flexibility will go a long way to putting the horse back in front of the cart and allow planning to drive NHS designation, and not the other way around.

4. *Emphasize Maintenance.* Throughout ISTEA, the Congress stressed the need to tend to our existing infrastructure before investing in new projects. EDF strongly supports this bias for maintenance. For example, EDF strongly supported requirements in ISTEA to restrict Interstate Maintenance funds to maintenance needs, rather than new capacity or new roads.

Regrettably, no explicit emphasis on maintenance exists in the provisions for NHS funding. Although it is true that States are required to develop a number of maintenance related management systems, none of those systems will necessarily dictate NHS funding decisions. The Administration has stated that the NHS designation is not intended to create a new mega-interstate highway system, but without explicit restraints on the use of NHS funds for new capacity or new roads, such an outcome cannot be prevented.

EDF supports a straightforward requirement that no NHS funds may be used for new or expanded highway capacity on NHS designated roadways, unless the State can show that none of its existing NHS roads are in poor condition. This would not prohibit the use of NHS funds for new capacity. It would merely require the States and MPOs to at least ensure that their NHS roadways are in fair condition before such new investments are made.

5. *Establish Criteria for Designation of the NTS.* EDF strongly supports the efforts of the Administration to make the NHS part of a larger, more coherent, National Transportation System. However, the process for determining this system should be an open, inclusive one guided by meaningful criteria that emphasize the economic, energy, environmental, and social impacts of the system.

The NHS designation process suffered two major shortcomings that should be avoided in designating the NTS. No formal requirements were included for full and meaningful public participation in the local, State and Federal designation process. Maps were drawn at the State level, often with little or no public participation. The NTS designation process should be open and inclusive and should explicitly allow the public to participate.

Second, the NHS designation was made with no underlying criteria. Not only were ISTEA planning criteria ignored, but many States appear to have made recommendations without the use of any criteria whatsoever. EDF believes that the NTS designation should require the States and U.S. DOT to evaluate its proposals against some common sense criteria: what impact or importance do the designations have to the U.S. economy? What impact do these systems have on the environment? Why is this proposed system more efficient and cost-effective than other systems? Answers to each of these questions and perhaps others will help guide Congress in its deliberations on this much larger transportation agenda and provide it with meaningful evaluative tools to steer its decisions.

In conclusion, EDF believes that the NHS designation process is a prime opportunity to help fulfill the promise of ISTEA, a promise that has been sidetracked in the first 2 years of the program. We are not seeking to overhaul ISTEA. Our proposals are narrowly limited to the NHS program and the President's recommendations regarding the NTS. However, we believe that adoption of these changes could go a long way to dramatically improving the environment while enhancing the Nation's transportation system.

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#### STATEMENT OF SALLY G. OLDHAM, PRESIDENT, SCENIC AMERICA

Thank you, Mr. Chairman and Members of the Committee, for the opportunity to express to you Scenic America's views regarding the proposed designation of the National Highway System. As a founding member of the Surface Transportation Policy Project, Scenic America speaks today on behalf of a broad coalition of environmental, preservation, community, and other organizations.

Scenic America's mission is to preserve and enhance the scenic character of America's communities and countryside. Since its founding in 1982, Scenic America has worked to establish scenic conservation as an integral part of the transportation decisionmaking process. With a committed national membership, Scenic America is empowering communities to identify, preserve, and enhance their unique character and appearance.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 created a new vision for transportation, a new focus on making transportation systems the servants, rather than the masters, of our communities. Through this focus, ISTEA's authors sought to make the transportation decisionmaking process inclusive, rather than exclusive, and to encourage transportation systems which enhance our communities. Few would disagree with these goals, and fewer still would advocate a National Highway system which does not meet them or which somehow stands outside the policies described in ISTEA.

I would like to address today one area of transportation decisionmaking which remains almost entirely without public input: road design. The National Highway System represents a new and enhanced Federal commitment to the Nation's most critical roads, a commitment which we welcome. But it also presents dangers which we must recognize and take steps to prevent.

There are two primary issues which I would like to address. First, NHS designation will inevitably lead some to maintain that all NHS roads should be built to a uniform standard similar to the Interstate system. Such a uniform standard will be completely inappropriate for this system. Second, the designation of the NHS will entail a continued and enhanced Federal role in the design of roadways, both new

rigidly applied and which become the end in themselves rather than a means to safety. In other words, in too many cases whether a road is safe or not is less important than whether it meets AASHTO standards. The uniformity of these standards is attractive, of course, to support bureaucratic procedures, but the results of their application are not always desirable or logical. Moreover, these standards focus exclusively on safety, mobility, and speed; other goals recognized in ISTEA, like aesthetic, environmental, or historic preservation concerns, are ignored.

#### INTERSTATE STANDARDS ARE NOT APPROPRIATE

The Interstate system is characterized by uniformity of design standards. In an era of cheap Federal money, with a system designed to carry high volumes of traffic at high speeds, uniform design standards seemed appropriate. Moreover, such uniformity proved a relatively efficient method of building a major national road system. This system has been an important catalyst for economic development and will continue to be so.

The NHS, however, is a different type of system, representing a mixture of roads, each serving as an integral part of the whole. It is critical that the NHS be seen not as an enormous new highway construction program but as a tool for focussing Federal transportation expenditures in an era of tight budgets and scarce dollars. Using NHS designation as the impetus for dramatically expanding the Interstate system is contrary to the goals outlined in ISTEA and would represent an enormous and unwarranted expense. To its credit the Federal Highway Administration has consistently maintained that it would require no single standard on NHS roads. But State and local decisionmaking processes are often very conservative regarding Federal requirements, and the result is that roads, for example, are overdesigned in order to ensure Federal participation. Congress will do State and local governments and the FHWA a service by making clear in statute that NHS roads are not meant to meet a single standard.

#### ENCOURAGE PLACE-SENSITIVE DESIGN STANDARDS

One of ISTEA's most important reforms has been that it brought ordinary Americans back into the transportation planning process. The Interstate era engendered a status quo in which transportation professionals made transportation decisions with little or no public input. But ISTEA's aftermath clearly shows that there is a tremendous interest on the part of the public to participate in these decisions. Constituencies ranging from bicyclists and pedestrians to environmentalists and scenic conservationists recognize the potential benefits and pitfalls of our transportation decisions. Moreover, their input in ISTEA's first 3 years is building a more inclusive, democratic decisionmaking process which seems likely to yield better, more widely supported results than more traditional, exclusive processes have.

But in the area of design standards, the public does not yet have a role. Design standards exist—primarily to ensure maximum capacity and maximum safety at high speeds. Such standards enforce national uniformity in lane widths, clear zones, horizontal and vertical alignments, and so on, irrespective of local conditions. The Federal government, by requiring the adoption of AASHTO standards on projects where it participates in the cost, has certainly fostered their spread and has thereby changed many communities and regions.

Mr. Chairman, Congress recognized in ISTEA that transportation decisions should not be made in a vacuum. Instead, they should solicit different points of view, different interests. They should respond to and be shaped by community needs, goals, and desires, rather than the reverse. But in the critical area of design standards for America's roadways, the decisions continue to be driven by abstract standards and criteria rather than the real needs of real communities. When we use standards that were created with no place in mind, every place becomes like no place.

ISTEA represents an explicit acknowledgement on Congress' part that we as a society hold many community goals simultaneously. That we want to preserve scenic views, environmental resources, and historic structures, that we want to maintain

the integrity of our neighborhoods while increasing mobility. Speed, safety, and mobility are important goals, but they are not the only goals; indeed, in many cases speed and mobility are secondary to other goals. We take pleasure, for example, in a scenic view or in the aesthetics of a well-designed road which seems almost a natural part of the land. But existing design standards recognize no other goals; indeed, the AASHTO Green Book, nearly 1,100 pages long, lists only three references to aesthetics in its index.

The results of such design standards can be unfortunate for three reasons. First, rote application of design standards can damage important scenic, historic, and environmental resources without accomplishing other societal goals. Second, such standards can raise project costs and, in some cases, make worthwhile projects prohibitively expensive. Third, the standards eliminate regional and local character, making our Nation seem a place of numbing sameness.

Senator Chafee is very familiar with Ministerial Road in southern Rhode Island. This is a unique scenic and historic road, which needs to be repaved. Rhode Island DOT has taken a position that repaving the road requires that it be "upgraded" to AASHTO standards, although the road is safe and adequate for the traffic volumes it handles, according to local residents. Such changes would completely alter the character of the road, a result that neither the public officials nor citizens groups desire. As a result, the issue has been at an impasse for nearly 3 years.

In other cases the application of AASHTO standards dramatically raises the costs of doing business. One Oregon town, for example, found that Federal participation in a street paving project raised project costs approximately 10 times. While the two projects were slightly different and other Federal regulations also played a role in the price upsurge, it is clear that AASHTO standards made this project more expensive than it needed to be—a problem especially difficult in rural States, where lower traffic volumes make the application of such standards superfluous. In another Oregon case, the State DOT may not be able to rebuild a tunnel in a rural area because bringing the tunnel up to standards will be enormously expensive.

In its review of State transportation enhancement programs, FHWA has identified that Federal regulations and requirements may be excessively costly and burdensome on many smaller projects. Some project sponsors specifically cited AASHTO standards as problematic for various types of projects, including scenic roads and hiking and biking trails. FHWA is now recommending significant changes in the administration of enhancement projects; such flexibility is commendable and should also characterize other transportation projects.

Charles Kuralt has said, "Thanks to the Interstate Highway System, it is now possible to travel across the country from coast to coast without seeing anything." There is no necessary reason that a bridge or a street light in Connecticut and one in Montana should look the same. But the standards that have developed for roads and bridges enforce a sameness nationwide. The distinctive differences that characterize the different regions of this country have been all but eliminated on the Interstate system; such a result should be avoided on the NHS. Highway design should foster not only safety but distinctiveness and aesthetic excellence. We have all driven on the George Washington Parkway and appreciated the ways in which this road gradually provides soaring views of this city. Many such roads exist around this nation, roads which were built with a vision grander than simple transportation, with a vision to uplift and inspire the traveler even as we do reach our destination. On NHS roads and on all roads, we should encourage such visions rather than burying them beneath pages of guidelines and standards.

If the design standards pose such challenges, what can be done to maintain safety and limit liability while being responsive to various community interests? There is some flexibility in existing standards, and this flexibility should be employed to the maximum extent. In addition, waivers from strict application of standards can be obtained, and Federal officials should grant these where circumstances warrant. But these solutions are temporary and do not address the real difficulty, that the existing standards, derived through cooperation of State and Federal highway officials, concentrate on too narrow a focus, ignoring all other social, environmental, and other concerns.

There are three simple, short term steps which Congress can take to foster a broader, more place-responsive design ethic. First, Congress can make clear in statute that NHS roads need not conform to a single standard. Second, FHWA should be directed to analyze the flexibility inherent in existing standards to determine how these standards can and, in some cases, already do support scenic, historic, community, and environmental goals and to distribute this information to State and local officials. Third, Congress should provide State and local governments with an incentive to use design flexibility in scenic and historic areas. While ISTEA provided States with the authority to do so, the additional time, effort, and expense incurred mean that this option is rarely utilized. Providing such an incentive will even the playing field, making alternate standards a real consideration in these sensitive areas.

In the long run, Scenic America believes that a new process for designing roadways is needed, one which includes not only traditional highway interests but also those nontraditional interests, such as environmentalists, preservationists, bicyclists and pedestrians, who have recently become involved in the transportation process. This process should derive criteria which integrate safety, environmental, scenic, historic, community, and preservation concerns, as well as providing access for cars, bicycles, pedestrians, and other transportation modes.

#### SUMMARY

Congress' continued commitment to a national transportation policy is far-sighted and appropriate. But it must not discount the experience and perspectives of individuals and communities. The closed design processes fostered in the last 40 years do not currently meet adequately community goals; ISTEA's reforms centered on opening transportation decisionmaking to public input.

The designation of a National Highway System and the continued Federal commitment to funding transportation bear with them a responsibility to ensure that America's towns and cities receive value. We call on Congress to continue the reforms begun in ISTEA by encouraging creativity, flexibility, and place-responsiveness in highway design and by seeking a new design ethic which considers not just safety, speed, and mobility, but these in conjunction with environmental, scenic, historic, and other community concerns.

Mr. Chairman, the National Highway System can be and will be a critical component of our Nation's economic development strategies in the coming years. But we must view the NHS as a component of our communities rather than as a separate entity. Making highway design more fully responsive to community goals is one of the most important steps we can take towards this goal.

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#### STATEMENT OF DARRYL L. WYLAND, SENIOR VICE PRESIDENT, PUBLIC AND GOVERNMENT RELATIONS, AMERICAN AUTOMOBILE ASSOCIATION

The American Automobile Association, serving over 36 million members in the United States and Canada, appreciates this opportunity to comment on S. 1887, the National Highway System Designation Act of 1994. The NHS is a needed national highway network to ensure that personal motor vehicle travel and trip needs are met in a safe, convenient and timely manner. It will focus scarce Federal resources on the Nation's most important, existing roads.

We commend you, Mr. Chairman, for your leadership in initiating hearings on this important issue for the motoring public.

AAA believes that the world's best transportation system begins right at the end of one's driveway. This Nation's vast network of roads and highways can carry one anywhere—to work, to school, a favorite vacation spot, or to the driveways of friends and family.

The concept of the National Highway System is in accord with a long-standing, AAA policy of 45 years, that the Federal government should be responsible for roads of national significance. The NHS will represent that Federal responsibility.

The Federal Highway Administration is to be commended for submitting a well designed system that will complement the existing interstate System. It should dra-

matically increase transportation productivity, reduce congestion, and improve safety for both personal and commercial users. We understand the proposed system will carry over 50 percent of all highway traffic including an incredible 80 percent of all tourism travel!

The proposed 159,000-mile NHS would connect major population centers, border crossings, intermodal transportation facilities, travel generators such as national parks, and other major tourist and travel destinations nationwide.

The NHS could also serve as a network for implementation of smart car and smart highway technologies (IVHS), that will move people and goods more safely and efficiently. Computerized route selection, congestion alerts and incident management systems are already off the drawing boards and are being tested on our highways. New pavements and other construction materials have and are being developed. In urban areas, these new technologies and materials could improve traffic flow to the extent that tail pipe emissions could be reduced by as much as 30 percent compared to stop-and-go congestion.

AAA has heard those voices who would have us believe that the Interstate System is enough—we need no more roads. They tell us that the Interstates provide ample connectivity—there is no need for additional capacity on existing roads.

AAA believes this is myopic. Although Americans rely on motor vehicles more than ever before, highway construction has not kept pace. Since 1970, we have witnessed a 74 percent growth in motor vehicle registrations. During the same period, the number of vehicle-miles driven increased almost 85 percent, but capital outlays for highways increased merely .02 percent and road mileage increased only 3.5 percent.

AAA believes that an increased investment in our highway infrastructure is a strategic investment in America's future. Highway improvements through the National Highway System will bring about increased transportation productivity—which will translate to employment opportunities and improved mobility for millions of motorists.

We also cannot afford to overlook the potential safety benefits of the NHS. In the United States, the Interstate System (representing the highest class of roads), has by far the best safety record. In 1992, there were .74 fatalities per 100 million vehicle-miles of travel on the Interstate, a rate barely half that on the next best class of roads (non-Interstate Principal Arterials). The Interstate has an even better record when it comes to nonfatal injury accidents—the rate is substantially less than half that on any other class of roads.

When the Interstate System is combined with non-Interstate Principal Arterials (the Interim National Highway System), we find the 1992 fatal accident rate on the combined system was 1.14 per 100 million vehicle-miles of travel. Other Federal-aid highways and non-Federal-aid highways had rates of 1.85 and 2.14, respectively. Non-fatal injury accident rates show a similar pattern.

With over 40,000 motor-vehicle-related deaths in the U.S. in 1992, the above figures argue favorably for increased investment in safer roads in order to reduce the toll from traffic accidents. The National Highway System will fill that need and should advance the development of safety initiatives that will meet current and expected traffic volumes and travel.

AAA urges this Committee to mark up and favorably report the National Highway System designation legislation, so Senate floor passage can occur before the August recess. The NHS will represent the culmination of many years of a successful Federal-State partnership in highway development and construction by providing improved mobility for millions of Americans.

*BEFORE THE*

**UNITED STATES SENATE  
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS**

*July 15, 1994  
Washington, DC*

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*Statement of the*

**AMERICAN TRUCKING ASSOCIATIONS, INC.**

*On*

**DESIGNATION OF THE NATIONAL HIGHWAY SYSTEM  
UNDER TITLE I OF THE  
INTERMODAL SURFACE TRANSPORTATION EFFICIENCY  
ACT OF 1991 (ISTEA)**

**Thomas J. Donohue**  
*President & CEO*



## FORWARD

A long time ago, before anybody could even imagine those gleaming ribbons of concrete and asphalt we've come to know as the Interstate Highway System, the federal government got into the road building game. It did this because the inconsistent patchwork of rural roads that cropped up in the first quarter of this century were not getting people very far, meeting neither the needs of people nor freight. Many of these roads seemed to lead nowhere, guided more by the special wishes of a few influentials rather than a rational planning process which considered the needs of the rest of the nation as it shifted from an agrarian economy to one more industrialized.

Washington set about to bring order to this chaos and it also, through the lure of federal funding, set ever higher standards for engineering quality, safety, and utility for the most important of these roads. By 1940, Congress had helped the states build 150,000 miles of primary US highways traversing and connecting cities and counties in all 48 states. They were solid, wide and well graded. They helped connect America's farms and small towns to its cities and ports and together, into an unparalleled network of commercial and travel destinations.

It was the success of that road network and a sense of national defense needs that propelled the states and federal government into an even more ambitious partnership - the Interstate and Defense System of Highways - the nation's interstate highway focus since 1956. But now, close to \$130 billion and 45,000 miles later, the last of these four-to-eight lane roadways are nearing completion. Now, it is time to focus attention again on where our infrastructure dollars should be directed.

With the passage of the Intermodal Surface Transportation Efficiency Act of 1991, a framework was created for the post-interstate era of American transportation. Attention is once again being paid to where the country started a century ago - with those same US highways that still carry the bulk of the nation's commuter and commercial traffic. This system, which includes the interstate, is what we are here about today. It is called the National Highway System - the physical backbone of an interconnected, multi-modal, national transportation system which will improve safety, increase efficiency and advance the mobility of people and freight. The NHS - the network that will serve the present while opening the doors to our future...

# I. INTRODUCTION

## A. ATA Represents the Trucking Industry

The American Trucking Associations (ATA) is the national trade association of the trucking industry. The ATA federation includes over 4,300 carriers, affiliated associations in every state, and 11 conferences. Together, ATA represents every type and class of motor carrier in the country. Combined with ATA's direct membership, we are a federation of over 40,000 member trucking companies. All across the country ATA represents businesses whose survival depend upon a quality work place - the highway network.

ATA applauds the scheduling of these hearings on the designation and adoption of the National Highway System (NHS). As you know, the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, and the 1992 presidential election, together stimulated a great deal of debate on our nation's physical infrastructure, placing an especially strong emphasis on our transportation system. National policies were advocated to better maintain, restore, rebuild, and re-invest in all transportation facilities. This "rebuilding" of America is an important step in our goal to revitalize and preserve a strong national economy. It is a jobs program with far-reaching strategic returns.

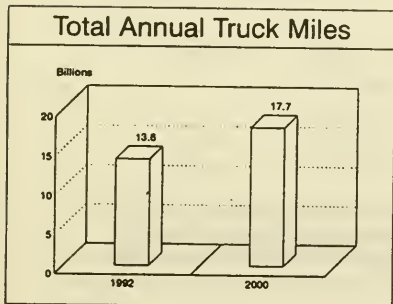
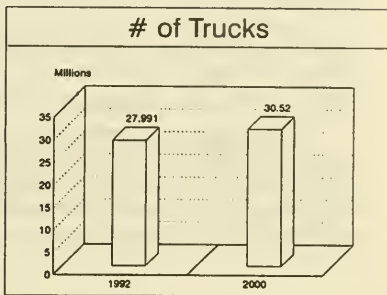
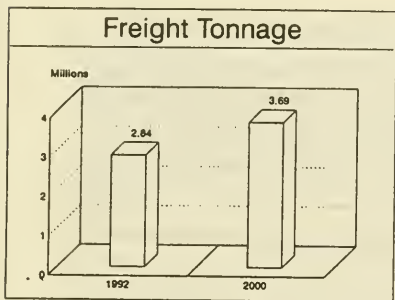
Transportation's role in society is immense. In the United States, seventeen cents out of every dollar of Gross National Product, and 12 cents of every consumer dollar goes for transportation services - *nearly \$1 trillion per year*. One out of ten US jobs involves making or servicing transportation equipment and infrastructure, or providing transportation services. As the major component of our physical transportation infrastructure, highways naturally account for the largest modal share of government investment in it - about \$1 trillion of our total investment of 1.4 trillion dollars - *71 percent!* The National Highway System represents the most critical of these roads.

But more than statistics can reflect, the freedom of mobility the transportation system provides is fundamental to our way of life and the flexibility it provides business is integral to our economy. Undoubtedly, the trucking industry has a direct stake in this national, strategic system of roads - it is our work place.

## B. The Trucking Industry Serves America

Trucking is the nation's largest freight transportation mode. The trucking industry employs 7.8 million people throughout the economy in jobs that relate to trucking activity - more than the separate populations of 42 of our 50 states. We have gross freight revenues equal to over 5% of the Gross Domestic Product -- a total of over \$300 billion in 1993. Trucks haul over 77% of all manufactured goods and transport 43% of total tonnage shipped by all modes - 2.9 billion tons of freight annually.

Based on preliminary projections, we anticipate that by the year 2000, domestic freight tonnage will increase 30%. Between 1992 and 2000, the number of freight trucks (classes 6, 7 & 8) needed to haul it will climb 8.3%, to 3 million, and the miles these vehicles will be required to travel to deliver this freight will increase 31%. And all of this is if economic growth is at a conservative 2.8% per year. (See charts below)



Considering these figures, it becomes apparent that we need to insure that there is a highway system which will provide the capacity and connectivity to meet the increased demands safely and efficiently. Without investment in such a system, our economic growth will be constrained and factories, jobs, and economic strength will be lost. In short, we need investment in a National Highway System.

### C. ATA Seeks a Complete and Unified System with the NHS as the Backbone

The trucking industry seeks a unified, well-connected system which promotes and maximizes the efficient movement of goods and people. The authors of ISTEA recognized the importance of using all modes to achieve this efficiency, and rightly so. However, as acknowledged by the Federal Highway Administration in its report to Congress, on 9 December, 1993, "the National Highway System will serve as the *backbone* of a national intermodal transportation network." The NHS program addresses the problem of movement within cities - a fact reflected in that 25% of all NHS miles are within urban areas. Just as important, these areas must be linked together and bound to our rural and suburban areas by a system of modern, well-maintained roads, highways and bridges.

Presently, 60% of U.S. households are within five miles of an Interstate highway. However, 90% of all households will be that close to an NHS route. That means an additional 72 million Americans. Likewise, 95% of U.S. businesses will be within five miles of an NHS route, compared to 70% that are that close to an Interstate today.

The National Highway System is not a road building program. It emphasizes the maintenance, preservation and improvement of 159,000 miles of roads deemed the most critical to meeting America's future transportation needs. In fact, the NHS comprises only 4% of the country's 3.9 million miles of public roads. Of the 159,000 miles on the system, less than 2% will involve totally new routes.

## II. FULL FUNDING OF THE NHS

### A. Achieving the Goals of the NHS

According to the 1993 Conditions and Performance Report prepared by the FHWA, the average annual cost to maintain existing highways through 2011 is estimated at \$46.4 billion. The cost to maintain overall bridge conditions as they were reported on June 30, 1992 is estimated at \$5.2 billion annually through 2011.

The numbers are staggering. Add to this our existing resource constraints, it becomes imperative that innovative policies must be crafted and projects selected to meet two important criteria: First, we must insure that, in terms of infrastructure improvements, dollars are leveraged and stretched as far as they can be. Second, the project has to improve the efficiency of our transportation system and its ability to productively move goods and people.

With respect to the first challenge, ATA notes with interest that Chairman Baucus has drafted a bill, S. 1714, the "State Transportation Financing Improvement Act of 1993", which will provide for the creation of state transportation investment loan funds. This state-administered revolving loan fund would use funds from the federal highway program matched by state funds and the fund's investment income to finance transportation projects in the state. ATA commends the Senator for advancing proposed legislation which can provide for innovative public/private finance opportunities which may assist and enhance highway infrastructure revenue streams needed to boost the investment level in critical infrastructure programs.

With resource constraints a fact of life, even with innovative public/private financing scenarios, simply expanding the stock of infrastructure, as we did in the past, is not as viable an option as it once was. Today's prudent infrastructure investment must be a strategic one, and must focus on the second challenge - improving the efficiency and safety of our existing highway network.

With the creation of ISTEA, Congress anticipated this and created the framework for a National Highway System and specified its purpose. The NHS is precisely the type of strategic investment warranted in the current funding climate, which isn't likely to change. Though it consists of only 4% of the nation's road miles, it will carry 40% of all highway traffic, and 75% of all highway freight movements.

Even so, authorized levels for Title I have not been matched by recent appropriations:

TITLE I	SURFACE TRANSPORTATION	
	<u>Authorized</u>	<u>Appropriated</u>
1992	\$18.6 billion	\$16.0 billion
1993	\$20.5 billion	\$15.3 billion
1994	\$20.4 billion	\$19.9 billion

These significant discrepancies between authorizations and appropriations have led to the under-funding of infrastructure projects and to the destructive competition for funds. This only serves to skew transportation priorities to the detriment of the national road network.

## B. Meeting Needs

Although ISTEA was passed in a period of severe budget constraints and concerns about growth in the federal budget deficit, the worthy goals of the National Highway System, and the ensuing benefits it will provide to our economy, can only be realized if appropriations match authorizations. In sum, the NHS represents more than an expenditure on highways - it is really a \$6.5 billion/year smart strategic investment in the nation's long-term strategy of sustained economic growth with environmental and intermodal sensitivity.

## III. THE BENEFITS OF A NATIONAL HIGHWAY SYSTEM

### A. Providing Jobs and Economic Vitality

"The long term economic returns from a national system such as the NHS are very high, and probably not achievable through a series of localized investments." This statement comes from a study performed by Apogee Research, Inc., of Bethesda, titled, The Economic Importance Of The National Highway System, With Case Study Examples. This study does more than just list the benefits of the NHS. It gives us tangible evidence of the need for good highways by describing the operations and needs of five U.S companies, all leaders in their fields, and together having locations in every state in the country. They represent every facet of the product chain, from manufacturer, distributor, to the retail outlet. And, they all employ the latest advances in transportation logistics, including "Just In Time" (JIT) manufacturing processes and "Rolling Stock" inventory management. These techniques reduce company inventory costs and help improve the productivity of U.S. industry.

Although the products they manufacture and ship are quite different from one another, each company reports a common need and reliance upon an exceptional highway network. In fact, each company links its present and future success to the existence of such a system. We have provided a copy of the study to each member of the subcommittee, but let me summarize the findings by company.

Campbell Soup Company depends on a good network of arterial highways and Interstates to achieve reliable JIT delivery of its food products and to support strategic alliances with its suppliers.

Hewlett Packard Company needs the flexibility provided by our highway system to move products reliably and efficiently.

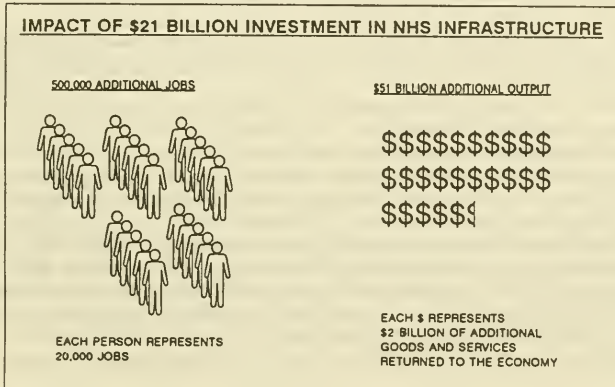
The Limited efficiently stocks a nationwide network of 4,425 retail clothing stores in 48 states from a centralized distribution center in Columbus, Ohio, almost entirely by use of reliable long-distance trucking.

Saturn Corporation competes successfully against foreign manufacturers of small cars by employing JIT manufacturing processes made possible by an effective, nation-wide highway system.

Xerox Corporation depends on an efficient highway system to reduce order cycle times and reduce inventory costs, which makes its products more competitive in all markets.

Together these companies that depend on the presence of an exceptional highway system employ 351,000 people and had 1993 combined earnings of \$45.3 billion. And these are only the indirect benefits of a National Highway System.

Every additional \$1 billion invested in our nation's highway infrastructure generates an estimated additional output of goods and services of about \$2.43 billion. Of this, \$1 billion is the value of the actual highway construction, but the rest, \$1.43 billion, is the value of the output of goods and services required to support the investment in infrastructure. For every \$1 billion invested in highways, we create 24,300 additional jobs. Some of these people are directly employed in the construction of the infrastructure, about 10,640 persons. On average, however, for every 100 workers employed in infrastructure improvement, about 128 jobs are created elsewhere in the economy. (Highway Construction: Its Impact on the Economy: Congressional Research Service, The Library of Congress, #93-21E, January 6, 1993.) Expanding this relationship to our total federal investment in the NHS from 1995 to 1997 at authorized levels for the NHS and Interstate maintenance translates into close to 500,000 jobs. (See table below)



Smart investment in our nation's transportation infrastructure not only serves the domestic interests of America - it provides a broad range of economic productivity and growth benefits on an international scale as well.

## **B. Promoting International Competitiveness and Intermodal Access**

For America, an intensely competitive global marketplace is no longer something existing on the horizon; we live in it *today* - and the contest is *now*. The National Highway System responds to the fact that American economic growth increasingly depends on how well we fare against our competitors in the world economy.

An efficient and well-connected interstate system is essential to survival and prosperity in our 21st century fast-paced economy. A transportation system must allow flexibility. The NHS will. Fast and efficient movement of freight is now critical to the success of "Just in Time" manufacturing processes and rolling stock programs mentioned above. The NHS will reduce U.S. transportation logistics costs, making American goods more competitive at home and abroad. The NHS also provides the essential links to make intermodal operations work.

ATA recognizes that a critical component of the National Highway System is access to intermodal freight terminals and the connections between such facilities. These connectors - often short, 1 to 2-mile links between ports, rail terminals, air cargo facilities, and interstate highways - often represent the major choke points in a freight delivery system. Identification, designation and improvement of these critical links would dramatically improve our nation's productivity, regional economic development, and our global competitiveness. Intermodal freight transportation is growing at a rate of 10% per year, and is expected to remain at that rate through the year 2000. So, a small investment now in intermodal connectors and access would pay off in large dividends in the immediate future.

The NHS will provide for the reliable transport of goods and people between all points - from the supplier to the final market. Additionally, these "final markets" are increasingly being found in another country. This is certainly true for states with international borders. For example, in Montana, the Eisenhower Interstate System amounts to over 1,190 miles, but just *one route*, Interstate 15, services the state's international commercial and personal travel requirements. The National Highway System program recognizes the relationship between an efficient international highway network and a successful economy. It expands the federal-aid focus in Montana to *2,990 miles* and incorporates a total of *four US/Canada border crossings* which will improve service between the US and its largest trading partner. Furthermore, the reliability of a transportation system, one which addresses current and future needs, is a key performance factor in a firm's decision to site a major new facility, or a large job provider's decision to leave.



The focused investment in a National Highway System, just 4% of all the roads in the country, *will help secure and protect America's place in the global economy.*

### C. Promoting Increased Highway Safety

The value of a transportation system of any kind is severely reduced if it cannot be used safely. It must be designed not only with efficiency in mind, but with operational safety designed into it as well. This is an issue of fundamental importance to ATA.

#### Efforts by the Motor Carrier Industry

ATA has initiated numerous programs for the trucking industry to improve the safety of our nation's highway system, including: training programs and schools for drivers and supervisors; management programs to assure safe vehicles, safe drivers, and safe operations; research to reduce accident experience; and, programs to improve vehicle performance, especially in the area of brakes. We have also been strong and early advocates for the establishment of the Motor Carrier Safety Assistance Program; the Commercial Driver's License; adoption of electronic record-keeping of hours of service; requirements for drug and alcohol testing; and banning radar detectors.

We provide a safety audit service to all motor carriers to assist them in understanding and complying with the federal safety and hazardous materials regulations. We help carriers establish safety management controls and programs that reduce accidents on our nation's highways.

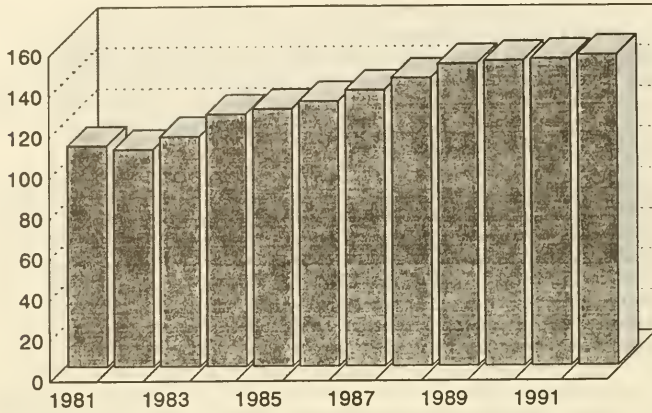
ATA has also formed the National Incident Management Coalition to address a major cause of roadway congestion - vehicle accidents and breakdowns. This ad hoc group of public and private organizations builds consensus on, and promotes and implements incident management programs through promotional and educational conferences.

The above safety measures are paying off through the efforts of many people, including Congress, DOT, the motor carrier industry and, of course, drivers. Accidents involving commercial motor vehicles are showing a steady decline.

According to DOT, between 1982 and 1992, the number of fatal accidents has dropped 13.1%, the fatal accident rate dropped 39.0%, the number of fatalities has decreased 14.8 %, while the *number of vehicle miles of travel has increased 42.7%*. (please see table next page)

# LARGE TRUCKS \*\*\* VEHICLE MILES TRAVELED

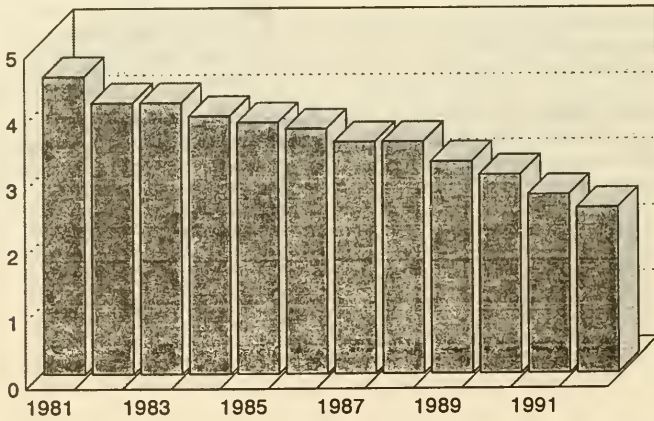
100 MILLION MILES



Source: Federal Highway Administration

# LARGE TRUCKS INVOLVED IN FATAL CRASHES

per 100 MILLION VEHICLE MILES TRAVELED. 1981 - 1992



9

Source: Fatal Accident Reporting System

Though the above safety results build on practices of the past, the National Highway System stands to be a program that works in concert with industry efforts, further improving highway safety in the future.

#### **The NHS is Designed for Maximum Safety**

Increased safety is an important factor in the designation of the NHS. National Highway System routes will have high quality design features to provide maximum safety, thereby reducing accidents. In 1992 alone, there were 39,325 highway fatalities, representing a \$27.5 billion economic loss, not including injuries and property damage.

While only 11% of these fatalities involved a truck, the new National Highway System will help us to meet our national goal of reducing the overall highway fatality rate by 7% annually by:

**Relieving congestion at bottlenecks** - increasing capacity at these hazardous points reduces congestion, which reduces accidents.

**Controlled Access Intersections** - these help to facilitate traffic flow and mitigate congestion, minimizing accident exposure.

Because of the huge unmet needs on the NHS, ATA is actively working at the state and local level to insure that NHS funds are being used to meet critical highway needs and not being diverted to other types of projects.

#### **D. Promoting Technology and Improving the Environment**

The National Highway System will help advance U.S. transportation technology and expertise, making our transportation system not only more efficient and competitive internationally, but also helping to reduce its impact on the environment.

The federal government now spends more than \$90 million annually developing Intelligent Vehicle and Highway System (IVHS) technologies to move people and goods more safely and productively. Many of these new technologies are built right into the existing highway. In urban areas where these new practices will improve traffic flow, tailpipe emissions of carbon dioxide and hydrocarbons can be reduced by as much as 30% compared to stop-and-go congestion, thereby helping to clear the air. The relatively small but significant NHS is the perfect proving ground for IVHS technology.

This also supports one of Secretary Peña's seven strategic goals for USDOT: "To create a new alliance between the Nation's transportation and technology industries, to make them both more efficient and internationally competitive."

We all want to balance what is good for our economy and communities with what preserves and enhances our environment. ISTEA is the first such transportation program to tie together these two goals, and to realize that they need not compete, but actually compliment one another.

#### E. Tying America Together

The NHS will provide access for more Americans in more communities to the expanding economic opportunities available from our global economy. It will connect important urban centers not currently served by an interstate highway.

With safety upgrades, technology improvements, and enhanced design features, NHS routes will make it easier for people to get to and from work, the doctor's office, and the grocery store. It will help move food and raw materials from rural America to its cities and ports. It will help to sustain a valued way of life for millions of Americans, especially those in states which have relied traditionally on highway transportation and whose populations are too small and development too spread out to support other modes. The NHS will also include routes serving national parks and other major travel destinations. American and foreign tourists, with the NHS, can expect to enjoy traffic flow and safety improvements on the highways they use to see and enjoy the country.

### IV. CONCLUSION

#### A. Act Quickly

On December 9, 1993, the United States Department of Transportation transmitted to Congress a 159,000 mile proposed National Highway System identifying 104 port facilities, 143 airports, 191 rail-truck terminals, 321 Amtrak stations and 319 transit terminals. ISTEA requires that the NHS and Interstate Maintenance funds not be released to the states if the system is not approved by Congress by September 30, 1995.

We urge Congress to quickly approve the NHS in 1994 and remove the uncertainty associated with the timing of the National Highway System. The sooner the NHS is approved, the sooner we can target federal funds to the roads that are necessary for jobs, economic growth, mobility, and safety.

We are concerned that if Congress does not enact the NHS this year, states will lose the certainty they need to plan and budget for needed improvements. If the bill is not enacted, it will have to be reintroduced and reconsidered next year and it could be the victim of controversial amendments.

## B. Remain Focused

One good way to promote quick passage of the NHS is to remain focused clearly on the need for a National Highway System and not allow side issues to detract from that vision. We urge Congress to avoid policy changes such as expanding eligibility for NHS funding, mandating the suballocation of large portions of NHS dollars to local jurisdictions, or on a population basis, or restricting a state's right to regulate the size and weight of trucks moving freight on roads about which they, not the federal government, know best.

Expanding eligibility, to privately owned facilities for example, will delay an already complex process by introducing yet another procedural hurdle into the planning process. The result would be that even more time and money would be spent designing strategy while acute physical infrastructure needs remained unaddressed.

Suballocating funds to urbanized areas jeopardizes the entire concept of "national" regarding the National Highway System. Improvements to the system should not stop at the city boundary, where the funding will run out if such changes are enacted. Given the significant unmet needs of the NHS and the requirements to look at the weak links of the NHS on a system-wide basis, we should keep the statute the way it is.

Restricting size and weight limits is illogical. There has been no study demonstrating that the trucks which would be disallowed are unsafe. Such a change would result in a competitive disadvantage. The cost of transportation is reduced by using vehicles that operate safely and hold more. An arbitrary freeze on size and weight would leave the U.S. at a permanent disadvantage to Mexico and Canada, where the weights are higher. It would also prevent state efforts to use a modest weight increase to encourage additional axles - which reduce wear and improve safety. It would particularly devastate western-state economies, where these vehicles have operated safely and efficiently for decades.

What's more, economic projections show that freight tonnage will increase 30% by the year 2000. Additional trucks *will* be on the road - the economy will demand it. But *even more* could and will be needed if suddenly, five trucks are required to haul what was previously safely carried by four. Restrictions such as those explained above run completely counter to the ambitions of ISTEA.

After all, the NHS is about promoting efficiency and economic growth. It is about increasing safety and reducing congestion. It is about opportunity. A clean NHS bill enhances the likelihood that these good intentions will become reality.

### C. Failure to Adopt The NHS - America's Economic Future

The Eisenhower Interstate System gave us a highway system better than any in the world. It was greatly responsible for the advantage we had over our competitors in the global marketplace. The NHS, the backbone of America's transportation system, is must-pass legislation *needed now* if we expect to preserve the economic leadership we have enjoyed for much of the last forty years.

Without a National Highway System, economic growth will be limited, and jobs lost.

Jobs will flow from the middle of the country to the periphery, such as around our ports. Because, without a seamless, well-connected highway system, it will be too expensive to locate factories in rural areas, leaving the 72 million Americans living in rural areas with reduced job opportunities.

Furthermore, we will fail to capture the savings from safety improvements, and will lose thousands of lives unnecessarily, and the billions of dollars in future productivity and property losses lost with those lives.

In sum, the NHS is not about trucking. It is about our communities and the nation. It is about mobility and our quality of life. It is about moving goods and people in the most efficient manner possible. It is about investing scarce resources wisely, strategically, and for the future. It is about making jobs. It is about whether we want economic growth or not. In short, the NHS *is* the highway system which will take America into the 21st century. The door is open...



July 14, 1994

The Honorable Max Baucus  
Chairman  
Senate Environment and Public Works Committee  
SD-456 Dirksen Senate Office Building  
U.S. Senate  
Washington, D.C. 20510

Dear Chairman Baucus:

On Friday, July 15, the Senate Environment and Public Works Committee will hold a hearing on draft legislation that would designate the National Highway System (NHS). Associated Builders and Contractors (ABC) and its more than 16,000 member companies believe that the designation and approval of the National Highway System routes will exemplify the foresight of America's transportation leaders who brought the Intermodal Surface Transportation Efficiency Act (ISTEA) to life. ABC is pleased to have this opportunity to submit our comments for the record on this important matter.

American mobility is at its most critical point in history. Over the next two years, in order to compete in a global economy, our nation will face major choices in setting future transportation policy. The most important action will be approval of the National Highway System. Whether it gets approved, and the manner in which it is enacted into law, will have profound impact on the mobility of individuals and business interests for the remainder of the decade.

Many have suggested that consideration of the NHS is an opportunity to place specific constraints on the program, as well as incorporate major policy decisions regarding current transportation programs. ABC believes that the National Highway System has the greatest chance of being realized if it is brought before Congress as outlined in ISTEA. ABC is encouraged to hear that your intentions are to keep this measure as clean as possible.

In this regard, as the NHS is under consideration, ABC urges the committee and Congress to reject any attempts to attach specific use requirements to NHS funding. ABC is opposed to the idea of developing additional requirements mandating state use of NHS funds for urban projects, designating separate maintenance funds, or limiting new construction or capacity. ABC believes that the process undertaken in developing the NHS

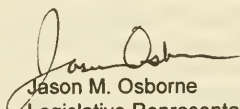
1300 North Seventeenth Street ■ Rosslyn, Virginia 22209 ■ (703) 812-2000

routes in each state and locality incorporates the area's current and future transportation needs. Under current statute, states have the ability to determine use of funds for their transportation needs. The flexibility of ISTEA would be broken by proposing these types of specific allocation requirements.

While ABC is concerned with a number of issues included in the House passed version of this measure, we understand that your committee may hold a hearing in September to address problems, such as ours, that have arisen with the passage of ISTEA.

On behalf of Associated Builders and Contractors, I again want to thank you for undertaking the daunting task of designating and approving the National Highway System in such a timely manner. I look forward to working with you and your staff as this legislation progresses.

Sincerely,



Jason M. Osborne  
Legislative Representative





July 12, 1994

Sen. Max Baucus, Chairman  
Senate Comm. on Environment & Public Works  
505 Hart Building  
Washington D.C. 20510

Dear Senator Baucus:

The following is an open letter of testimony on behalf of the Blue Ridge Interstate Impact Network, to be included in the Senate Hearing on the National Highway System bill.

We would like to address the committee on the 173/74 corridor, a small but significant part of the 1991 ISTEA legislation.

This legislation mandated a transportation system that is "economically efficient and environmentally sound." It must be planned with a broad-based public participation process in consultation with affected local officials.

Virginia has fallen short of the goals set for ISTEA. The proposed route is not economically efficient nor environmentally sound. Both the public and many local officials were denied any meaningful participation in the decision-making process.

ISTEA was a landmark in U.S. history. For the first time, Congress recognized the impact sound transportation decisions can have on the social, economic and environmental health of our communities.

Senator John Chaffee has said, "Unless there is constant vigilance during the implementation of ISTEA, the gains made by ISTEA may be lost."

The proposed route as suggested by the Virginia Department of Transportation (VDOT), includes a Roanoke dogleg of 100 miles of new construction over a 2900-foot mountain, adding \$500 million to the cost of a more direct corridor.

VDOT waited until January, 1994, to begin its corridor study, allowing only three months for completion. Although VDOT held five public meetings, it was not until after the meetings were held that a map including the 6A corridor was published in the only local daily newspaper.

The public comment period closed 10 days later.

The corridor location study found the direct 177 route clearly the best in terms of cost, transportation efficiency, and environmental impact. It gave corridor 6A, the Roanoke dogleg, high marks based on a hasty and superficial economic impact study.

Local officials, including town councils and boards of supervisors passed resolutions opposing the 6A corridor. Citizens wrote letters against the routing but were told they were too late to be considered.

The economic impact study was based on the number of interchanges and low-paying interchange jobs, under the flawed assumption that the more money spent on construction, the more economic growth would be stimulated.

The studies failed to consider the negative economic impact of the proposed corridor. Giles County, for example, receives 20% of its revenue from tourism drawn to its pastoral beauty. Blacksburg must offer a high quality of life to employees of its high-tech industries.

P.O.Box 94 Bent Mountain, Virginia 24059

Both localities adopted resolutions opposing the 6A corridor. VDOT put 6A near the bottom of the list as one of most environmentally devastating routes.

The 1700-acre Nature Conservancy at Bottom Creek Gorge, boasting the second largest waterfall in the state, includes four rare species of fish. If I73 were to be constructed anywhere within the proposed corridor, it is a certainty that Bottom Creek Gorge, with its associated biotic communities, would be devastated.

The 6A corridor includes the headwaters of the Roanoke River. Even one spill of hazardous materials would affect the water supply of over 200,000 people.

When the House Committee on Public Works & Transportation issued its report to the full U.S. House of Representatives on the National Highway System bill, it deferred recommendation of a specific route through Virginia until Virginia and North and South Carolina could reach a consensus on the route's alignment.

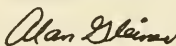
Because of North Carolina's preferences for where I73 would enter Virginia, and "that the proposed routing has generated considerable controversy in southwestern Virginia," the committee recommended further study.

The U.S. House of Representatives passed bill H.R. 4385 as recommended.

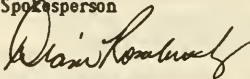
We encourage you to consider the action taken by the House of Representatives and put off a decision on I73 in Virginia or select a more direct and economically and environmentally sound corridor.

We thank you for the opportunity to address the members of the committee and appreciate your consideration of these issues.

Sincerely yours,



Alan Gleiner  
Spokesperson



Diane Rosolowsky  
Spokesperson

CARROLL COUNTY CHAMBER OF COMMERCE

POST OFFICE BOX 1184  
845 WEST STUART DRIVE  
HILLSVILLE, VA. 24343  
TEL. 703-728-5397

July 12, 1994

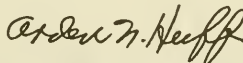
TO: Senate Committee on Environment and Public Works

Dear Senators:

We want to thank you and to support you for work to pass the National Highway System Designation Act of 1994. This is important to our area, state and nation. We support the new I-73.

We also call to your attention a copy of our position article dated May 2, 1994. Please include this letter and article in the official records. You all should step in and decide for the I-77 routing through Virginia. The roads are already in development or upgrading across North Carolina to link to this at great savings, better economic development, less damage to the environment and a faster completion time frame. The "Roanoke dog leg" is a costly and widely opposed venture. I-77 can be easily upgraded to make a common sense link across Virginia, again for better economic development, and a kinder touch to the environment and a savings of up to one billion dollars.

Sincerely,



A. N. Huff, President

Enc: Article May 2, 1994

cc: Congressman Rick Boucher  
Senator Charles Robb  
Governor George Allen

**CARROLL COUNTY CHAMBER OF COMMERCE**

POST OFFICE BOX 1184  
845 WEST STUART DRIVE  
HILLSVILLE, VA. 24343  
TEL. 703-728-5397

PRESS RELEASE

May 2, 1994

**CARROLL COUNTY CHAMBER OF COMMERCE POINTS WAY  
TO IMPROVE ROADS AND SAVE TAXPAYERS MONEY**

The Carroll County Chamber of Commerce by recent board action has announced support for the West of Roanoke routes for the proposed interstate I 73 or any downsized version. The Chamber joins West Virginia and North Carolina governmental choices for I 73 to enter Virginia around Bluefield and exit Virginia via I 77 going toward Winston-Salem, N.C. This would leave choices for either a new downsized version and/or expansion of I 77.

Such a road would serve more of Southwest Virginia, avoid more congested areas, do less damage to the environment, provide greater opportunities for economic development in the future and cost perhaps up to a billion dollars less than any winding off route road now recommended by the Virginia Department of Transportation. Their recommendation is strongly opposed by citizens in Giles Co., Blacksburg, Montgomery Co., and Bent Mountain.

The Chamber notes that motorists will go by the shortest and most direct route, I 77, which will have to be expanded, regardless. Route 220 will have to be upgraded before I 73 is even started, twenty years from now. North Carolina has already budgeted to improve their section of Route 220. If the longer I 73 route is built, then everyone will have needlessly wasted billions of dollars. The Chamber recommends that some money saved could be spent on education, to balance the budgets, to keep taxes in line, and to enhance Rt. 220, Rt. 58, Rt. 221, Rt. 460 and other roads for the direct and immediate benefit for more citizens. This could provide economic benefit as well as a kinder blend with the environment.

The Chamber notes that this plan would help to preserve our beautiful mountain empire by using existing routes instead of plowing up more hills, valleys and streams. Over the long run, this will be by far the best choice for the quality of life instead of paving our way into a metro area. Citizens are trying to leave such black top areas and do not want to repeat these mistakes.

Finally, the Chamber notes the need for economic development and jobs but also notes that pretty country attracts tourists and environmental minded clean industries as well. Southwest Virginia including Carroll County has the land, water, industrial parks, scenery, and quality of life desired by citizens and clean industry. The Chamber study notes, for instance, that one or two new such industries would create thousands of jobs, of greater benefit to Southwest Virginia and the overall Commonwealth.

## ALTERNATIVES TO THE I-69 EXTENSION IN INDIANA

All of the objectives of the NHS in Indiana can be achieved without the proposed new terrain I-69 extension. Therefore, we ask that the I-69 extension, as proposed, be withdrawn from the NHS plan. Our reasons for this request are:

- 1) Reasonable alternatives to the proposed route are available using existing highways.
- 2) These alternatives would be much less expensive.
- 3) The proposed route between Indianapolis and Houston will merely duplicate existing interstate routes.
- 4) Indiana does not have the monies to adequately maintain existing roads.
- 5) Realistic economic projections in no way balance the known costs and environmental and social damage of this extravagantly expensive highway.
- 6) This project is the object of widespread and growing opposition.

Our specific comments on using existing highways to implement the NHS are found in Inclusion 1. We believe that using existing highways to improve transportation in Indiana will do less social and environmental damage with greater economic benefits to more people.

If an interstate connecting Indianapolis to Evansville, Indiana is deemed essential then using existing I-70 to US-41, with upgrades to make US-41 limited access (it is now 4-lane divided with at-grade crossings), could be done for approximately a third of the cost of constructing the new terrain alternative (Incl. 2). A bypass around Terre Haute, connecting I-70 to US-41, is already in the planning stage. INDOT's own consultants estimated this route would be only 8 minutes longer than the proposed route (Incl. 3).

State Road 37, a 4-lane, divided highway, is complete from Indianapolis to US-50 at Bedford, but only the segment from Indianapolis to Bloomington is included in the NHS proposal. We believe the segment of SR-37 from Bloomington to US-50 was omitted because it would clearly show the redundancy of the new terrain I-69 proposal from Bloomington to SR-57 near Newberry (Incl. 4). Also note that SR-37 from Bloomington to Bedford connects SR-46 to US-50, both highways in the NHS.

Our organization does not believe a new interstate is needed in Indiana, but if this Committee insists on including the I-69 extension in the NHS, we ask you to exercise your oversight role and insist that Indiana chose the most fiscally and environmentally responsible alternative.

## STUDIES RELATED TO THE I-69 EXTENSION

You will hear much today from the supporters of this highway project regarding its purported economic benefits. In response to these claims I refer you to the 1990 congressionally mandated economic feasibility study by the respected consulting firm of Donohue and Associates. This study was done at the urging of Congressman McCloskey at a cost of almost \$500,000 in Federal funds and was administered by the Indiana Department of Transportation. This study did not recommend the construction of another major highway in southwestern Indiana (Incl. 5). That recommendation was based on a low benefit/cost ratio (Incl. 6).

This is only the latest in a series of independent studies looking at the feasibility of another major highway in this region. None of them recommended the construction of such a highway (Incl. 7).

Since the Donohue Study was released highway supporters have generated a smoke screen of reports and studies which have attempted, in one way or another, to refute Donohue. These revisionist studies have all been based on opinion, judgment, or dubious new assumptions regarding costs and benefits. None has presented substantial new economic data that refutes the conclusions of the Donohue Study. Donohue alone provides the systematic, quantitative, and objective economic analysis that can be relied on for public policy decisions that involve the expenditure of a billion dollars.

Congressman Rahall's inquires concerning the I-69 extension, dated 20 December, 1993, are inaccurate and misleading. They seriously overestimate the benefits and underestimate the costs of the project. Using Indiana's Open Records Act, our organization is currently seeking INDOT'S documentation for their highly unrealistic projections. We will submit our responses to all 18 of Congressman Rahall's questions as soon as INDOT responds to our request for information. In the meantime, our replies to some of Congressman Rahall's inquires are included in this testimony. We sincerely believe that a complete and honest accounting of the highway's costs, as well as benefits, are necessary if this Committee is to make an intelligent judgment on its feasibility.

Toward the end of large public works programs, such as construction of the interstate system, there is a danger of overbuilding. Those who profit from these programs do not easily give up their taxpayer subsidies. Nevertheless, there comes a time for closure. The interstate system, as stated in ISTEA, is essentially complete. The inclusion of the I-69 extension in ISTEA and NHS was a political rather than a practical transportation decision. As shown in Inclusion 13, the I-69 extension will essentially duplicate existing routes, an unfortunate example of overbuilding.

#### COST OF THE I-69 EXTENSION

The I-69 extension will be an extravagantly expensive highway. Representative Frank McCloskey, the highway's chief sponsor, stated at a public meeting in Bloomington, IN in August of 1993: "For lack of a better term, being close enough for government work, we're looking at a billion dollar project." The construction cost of the 32 mile segment from Bloomington to US-57 alone is estimated at approximately \$400 million (Incl. 8) These costs are high because of the rugged, karstic, environmentally sensitive nature of the new terrain route. Further south in Indiana the route will cross extensive wetlands and prime farmland.

\$1 billion is not the entire cost of the highway in Indiana. The following costs were not included in INDOT's written testimony to this Committee:

- Cost of construction for upgrading to limited access the approximately 50 mile segment of SR-37 from Bloomington to Indianapolis.
- Cost to buy out dimensional limestone reserves within the right-of-way. The market value of these reserves are estimated at \$300-400 million (Incl. 9). While it is unlikely the limestone companies will receive this amount of compensation, they must be given "fair market value" for their mineral reserves. This will amount to a huge taxpayer subsidized buyout of a mineral resource and a windfall for the affected companies.
- Cost of environmental mitigation. Due to the extremely sensitive nature of the proposed new terrain route the Donohue, et. al. Study estimated these costs would be significant (Incl. 10).
- Another costly environmental problem has arisen with the plan to construct an interstate quality interchange where SR-37 meets the proposed realignment of SR-46. The interchange would pass within 250 feet of a Superfund site situated in unpredictable karst terrain. The risk of groundwater contamination is of sufficient concern that the Bloomington City Council passed a resolution urging the INDOT and the FHWA to conduct a full EIS on the site.
- Cost of legal challenges. Lawyers for the Hoosier Environmental Council, the largest environmental coalition in Indiana, are currently working on expected legal challenges to the EIS process.

#### INDIANA IS NOT ADEQUATELY MAINTAINING ITS EXISTING HIGHWAYS

While Indiana is 38th in land area among the States it is 13th in the number of miles of interstate highways. Indianapolis has more interstate highway connections than any other city in the Nation. Meanwhile, Indiana is unable or unwilling to maintain its other highways. For example:

- The Indiana Association of Counties states that 22 percent of the State's 80,000 miles of local roads and streets are in poor condition. The Indiana Eco-

conomic Development Council's 1993 report concluded 57 percent of the State's most heavily used roads need repaving or reconstruction while 40 percent of its bridges are deficient.

- Indiana's roads and bridges were ranked 9th worst nationally of the 50 States in terms of general condition in December 1992 by the Association of Builders and Contractors.

- The Indiana Department of Transportation is 356 bridges behind in bridge replacement with \$325 million needed to catch up. It is 289 bridges behind in bridge rehabilitation with \$86 million needed to catch up. Excluding interstate repairs, where it is actually a bit ahead, it is 300 miles behind in State highway resurfacing with \$41 million needed to catch up. With an annual target of 82 bridge reconstructions, it is doing 41. With an annual target of 115 bridge rehabs, it is doing 75. With an annual target of 625 miles of State highway resurfacing excluding interstates, it is doing 538.

Decades of underfunding for maintenance has dug Indiana into a deep hole. Adding capacity to a system it cannot now maintain will lead to further deterioration of Indiana's Statewide highway network and undermine the goals of the NHS.

#### PUBLIC OPPOSITION AND SAFETY CONCERNS

There is widespread and growing opposition to the proposed I-69 extension in Indiana. Signatures on petitions opposing the highway now exceed 30,000. The project is being opposed by environmental groups, farmers, fiscal conservatives, and rural citizens. Also note that 13 of the 17 responses to the NHS proposal in Indiana expressed opposition to the I-69 extension (Incl. 11).

We dispute INDOT's claims for safety improvements due to the I-69 extension. I-69 boosters frequently cite accident statistics for Southwestern Indiana without comparing this region with other regions of Indiana. The Indiana Factbook for 1992 reveals that most counties in SW Indiana have relatively low accident and fatality rates. As more traffic comes to the area with the new highway there will be more accidents and fatalities. In INDOT's testimony to this Committee they stated that there would be a 50 percent reduction in accidents as a result of the construction of this highway. Unfortunately, they did not specify the area to which this reduction applies. The Donohue Study estimated the reduction in overall accidents attributable to a new freeway at 12.5 percent.

In neither study were calculations made to determine accident reductions due to repairing and upgrading existing highways throughout the area.

#### WHO WILL FUND THE I-69 EXTENSION?

Due to the poor condition of Indiana's existing highways, and widespread and growing opposition to the I-69 extension, Governor Bayh and the State of Indiana are reluctant to use their share of the National Highway Trust Funds to pay for the I-69 extension. It appears that Indiana expects the Federal government to fund the project with several hundred million dollars of special appropriations (Incl. 12).

In thin context it is significant that Indiana has the 9th-lowest State gasoline tax. Hoosiers spend \$125/person/year on roads, far below the midwest average of \$196, according to the Center for Urban Policy at Indiana University's School of Public and Environmental Affairs.

The Bayh administration and INDOT are willing to be agents for spending several million dollars on various studies that enrich consultants but when it comes to the tough choices to give priority to the project they balk. This is evidenced by their reluctance to spend any of Indiana's \$2.5 billion share of the Federal Highway Trust Fund on the project. Representative McCloskey's attempt to fund the highway as a demonstration project, even if he were able to get \$20 million a year, would be a waste of tax dollars. At that rate it would take 50 years to complete the project, except that by then the cost would have doubled and it would never be completed.

Since it is clear that the I-69 extension cannot be funded and built in a reasonable period of time it should be abandoned. It is fiscally irresponsible to spend millions of tax dollars on studies for a highway that will never be built. Also, keeping

In their responses to Congressman Rahall's inquires, INDOT stated: "Coupled with the I-69 and I-94 corridors from Indianapolis to Detroit and on to Canada, the Indianapolis to Houston corridor can become an important highway corridor for the North American Free Trade Agreement." Contradicting INDOT's statement, the FHWA, in a recent report to Congress entitled: Assessment of Border Crossings and Transportation Corridors for North American Trade stated: "It is important to note that any major new transportation corridors in the U.S. cannot currently be justified alone on the basis of North American foreign trade. There are studies that indicate the general need for augmented infrastructure. However, there is no outstanding data that supports construction of any particular border to border transportation corridor."

Calls for the extension of I-69 from Indianapolis to Houston, Texas must be considered in relation to existing interstate connections between those cities. Federal Highway Administration personnel have noted the fault in this proposal. In a letter to Katherine Davis of INDOT, dated 14 April, 1992, Arthur Fendrick, Division Administrator, FHWA wrote:

. . . there is some mention of the fact that this highway development could be viewed as an important link in the interstate system between Detroit and Memphis. This is a somewhat specious argument, as a casual glance at a map of the Federal-aid Highway System will show that there is already a relatively direct interstate system between these two cities." (Incl. 13) Also, during the debate on the NAFTA no major new transportation public works program was included as a cost or requirement of the treaty.

#### CONCLUSION

The money spent on or allocated for the I-69 extension to date is a token down payment on the projected cost of this massively expensive project. There are numerous areas of need within the NHS as well as other areas of transportation where these funds could be put to better use. Indeed, rescission of the I-69 extension, as it is currently proposed, will strengthen Indiana's proposal for the NHS. Rescinding the new terrain I-69 extension will also show that the most socially and environmentally responsible action can also be the most fiscally responsible action.

NOTE: Attachments to this statement have been retained in committee files.



GENERAL COMMENTS

Coastal Chem, Inc. supports the National Highway System. Highways are critical for expanding economic growth. The National Highway System will help facilitate expansion in trade by serving all major international border crossings and connecting with both the Canadian and Mexican national networks. It will also provide trade opportunities to states, not located along the border, by linking their roads to the National Highway System. The National Highway System will serve thousands of rural communities and businesses not covered by the interstate system and provide an affordable highway system for future generations.

The National Highway System will focus tax dollars on improving a 159,000 mile system that currently carries 75% of all truck traffic and will yield real savings.

Distribution costs have become the major factor in the success of the United States producers to compete with imported product. Over the years, Coastal Chem, Inc. has had to face a primary threat from Canadian producers. This became even more difficult when Montana legalized longer combination vehicles on their highways. Since Coastal Chem, Inc.'s plant in Cheyenne, Wyoming was totally surrounded with interstate highways, we were unable to use existing heavier load limits of 117,000 pounds allowed on Wyoming state and secondary highways. We were forced into a situation of little or no profit margin if we wanted to compete in our own home state.

One of the major criticisms is that the longer combination vehicles cause a reduction in shipper's business with the railroads. *Exhibit 1* outlines our business profile with the railroads since the "LCV" test was put into effect. In 1985, we shipped 51,915 tons of product by rail and in 1993, this tonnage increased to 211,200 tons annually. This is an increase of 159,285 tons or 307% increase. In 1985, rail movements were 611 and in 1993, 2,400 movements annually or 298% increase.

We didn't expect the Wyoming State Legislature to give Coastal Chem, Inc. an advantage, just to "break even" with the Canadian producers. When the Weight Study Legislation was passed in 1986, this gave us the opportunity to compete on an equal basis. By enabling Coastal Chem, Inc. to realize an overall freight rate reduction of 25%, we were able to pass along the savings to our customers and expand our market share in the Rocky Mountain states. It has given us the boost to further invest and grow in Wyoming. Coastal Chem, Inc. has increased their investment in additional expansions from \$150 million in 1986 to \$326 million in 1993. Coastal Chem, Inc. has helped the western economy by providing 220 jobs, a \$12 million payroll, and expenditures of more than \$21 million annually to western railroads and motor carriers. If a "freeze", like the one enacted in 1991 ISTEA law had been in effect in 1986, Coastal Chem, Inc. would not be providing this boost to our western economy and our plant would be shut down.

Highways are the key to growth. The National Highway System is the foundation for economic endeavor in the western states. It's early adoption should be a priority for all western public officials.

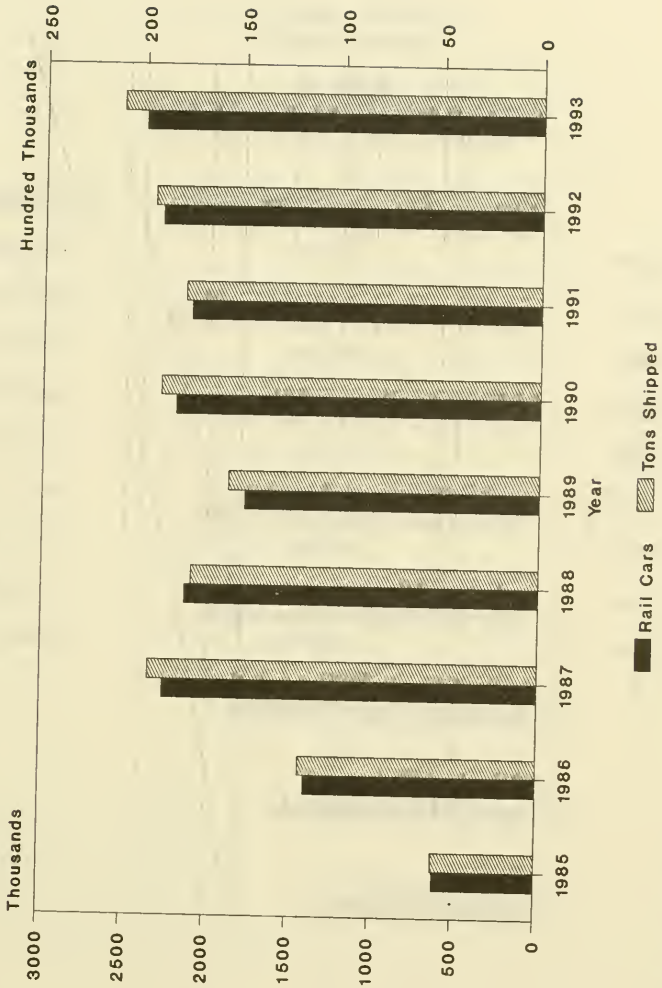
COASTAL CHEM, INC.  
Cheyenne, Wyoming

EXHIBIT I

Historic Rail Movement Trend

	<u>Rail Cars</u>	<u>Tons Shipped</u>
1985	611	51,915
1986	1,398	119,490
1987	2,261	195,800
1988	2,136	174,776
1989	1,778	156,290
1990	2,199	190,823
1991	2,109	178,720
1992	2,291	194,735
1993	2,400	211,200

COASTAL CHEM, INC.  
 Historic Rail Movement Trend  
 Exhibit I



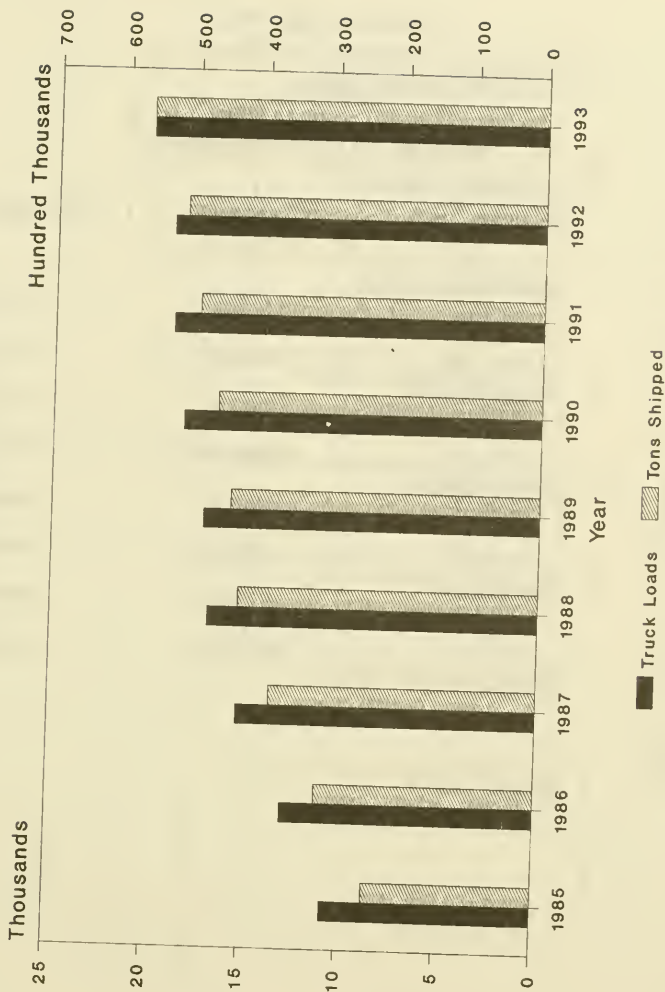
Source: CCI Records

*EXHIBIT II*

Historical Truck Shipment Trends

	<u>Truck Loads</u>	<u>Tons Shipped</u>
1985	10,779	242,423
1986	12,945	313,881
1987	15,339	382,576
1988	16,926	430,392
1989	17,220	443,420
1990	18,337	464,170
1991	18,950	492,700
1992	19,044	514,188
1993	20,204	565,712

COASTAL CHEM, INC.  
 Historical Truck Shipment Trends  
 Exhibit II



Source: CCI Records

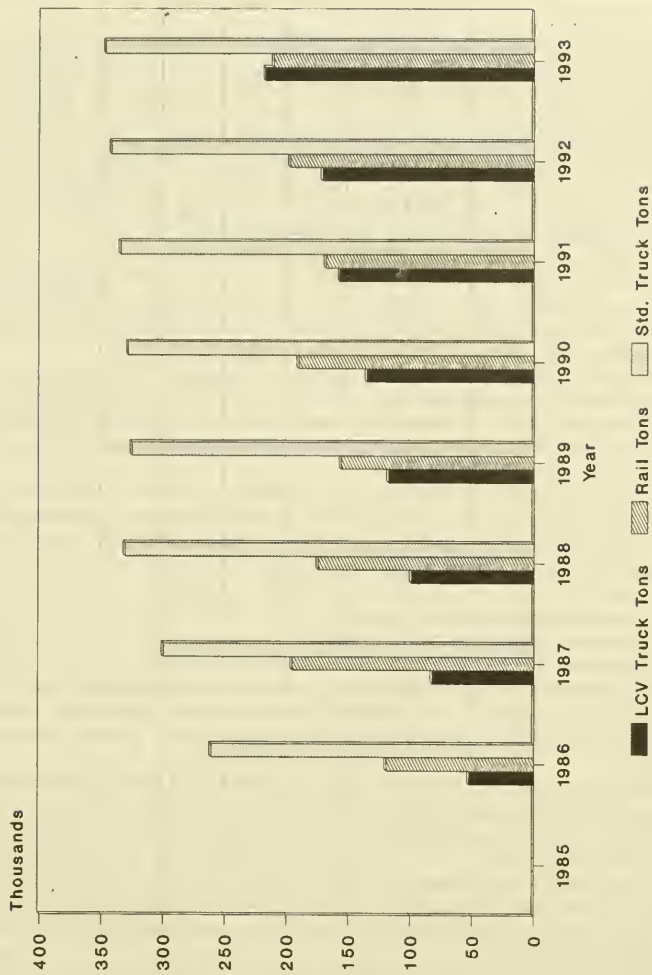
COASTAL CHEM, INC.  
Cheyenne, Wyoming

EXHIBIT III

Comparison of Tonnage by Carrier

	<u>LCV Truck Tons</u>	<u>Rail Tons</u>	<u>Std. Truck Tons</u>
1985	-0-	—	—
1986	52,596	119,490	261,285
1987	82,377	195,800	300,196
1988	99,218	174,776	331,174
1989	117,622	156,290	325,798
1990	135,241	190,823	328,929
1991	157,400	168,720	335,260
1992	171,388	197,735	342,800
1993	218,172	211,200	347,540

COASTAL CHEM, INC.  
 Comparison of Tonnage by Carrier  
 Exhibit III



Source: CCI Records

I want to thank Chairman Baucus and Senator Chafee, the ranking member, for providing me with the opportunity to submit into the hearing record the following testimony in support of the designation of the National Highway System.

My name is Daniel Kletter, and I am chairman of CIMA, the Construction Industry Manufacturer's Association. For more than 80 years, CIMA has represented the producers of construction machinery, equipment and components, as well as providers of construction-related services. Products of the 447 member companies are used throughout the world in general construction, housing, roadbuilding, transportation, material-handling, energy, mining and forestry fields.

Also, I am general manager of the Rock Drill Division of the Construction and Mining Group of Ingersoll-Rand Company. The Construction and Mining Group consists of four divisions that together manufacture products for general construction, road construction and rehabilitation, material handling, water well drilling, environmental monitoring, abrasive blasting, quarrying and mining.

CIMA and Ingersoll-Rand firmly support Congress and the Administration in their commitment to improve our Nation's infrastructure. The creation of the National Highway System provides the best means to allocate scarce resources to the most critical portions of the more than 4 million miles of public roads in the United States.

While the National Highway System would comprise about 160,000 miles of roads, or roughly 4 percent of the national total, it would consist of highways that are the most heavily traveled commercially. Without question, the National Highway System would be vital to the economic well-being of our country.

The National Highway System would relieve congestion, improve safety, provide more efficient connections between different modes of transportation, and contribute to our Nation's economic health and security.

Now that the North American Free Trade Agreement is a reality, the National Highway System would provide a vital link in accommodating expanded trade between the U.S., Canada, and Mexico. This is extremely important as more than 80 percent of the goods moving between Mexico and the United States travels over highways.

I respectfully request the Senate Environment and Public Works Committee to complete its work on this legislation as soon as possible. A simple, clean committee bill will help to ensure swift action on the Senate floor and in a Conference Committee with the House-passed bill. We understand there are other issues—such as demonstration projects—of concern at this time, but we believe they can best be addressed in other legislation that is sure to follow. Nothing erodes good planning and progress as much as uncertainty. Please remove any doubt that we will have a National Highway System.

At CIMA and Ingersoll-Rand, we are proud of the contributions we have made in building our Nation's highways. We look forward to doing more.

Mr. Chairman, we are prepared to be of whatever assistance we can be to you and the committee to ensure the National Highway System becomes and remains the best of its kind in the world.

Thank you.

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STATEMENT OF ALAN EVANS, PRESIDENT, EVANS LOOSLEY, INC.

My name is Alan Evans, and I am President of Evans Loosley, Inc., a small company based in Eugene, OR. Research and development over the past 12 years recently culminated in the introduction by our company of a new cold mix recycling agent which may have tremendous potential for use in recycled asphalt pavements. Specifically, university tests suggest that the use of our recycling agent will result in superior quality roads, promote use of recycled asphalt paving rather than virgin materials, help solve our Nation's scrap tire disposal problem, and avoid occupational health concerns some have raised relating to the use of ground rubber in hot asphalt mixes—all at a cost competitive with existing hot mix technologies. As you



know, Section 1038 of the Intermodal Surface Transportation Efficiency Act of 1991—in one manner or another—was crafted to address all of these concerns.

Despite its promise, however, our technology currently cannot be utilized by the States to meet the ground rubber recycled pavement requirements contained in Section 1038. It utilizes cold mix recycled asphalt, and Section 1038 has been interpreted to allow only hot mix recycling technologies. In addition to this interpretation's chilling effect on markets for our recycling agent, it unnecessarily limits the development of technologies critical to meeting our Nation's transportation and recycled asphalt goals. Moreover, it unnecessarily limits the flexibility of States attempting to comply with rubberized asphalt pavement requirements. Therefore, we appreciate the opportunity this hearing affords us to provide testimony, and we look forward to working with the Committee on technical amendments to Section 1038 which would clarify its original intent and establish a level playing field for all recycled paving technologies.

Before explaining in greater detail the clarifications of Section 1038 we seek, allow me to provide additional information on our company's recycling technology. University tests suggest that the key to our cold mix recycling technology is our recycling agent. That agent is extremely synergistic when combined with ground rubber. University tests conducted at Case Western Reserve University and the University of Detroit suggest that the recycling agent, when combined with ground rubber, allows the cold recycling of asphalt pavement to standards superior to even polymer-modified hot mixes (see Exhibit 1). In addition, initial research comparing the cost of cold recycling utilizing our technology and current hot mix asphalt suggest that asphalt pavements utilizing our technology are price competitive with either existing polymer-modified hot mixes or hot mixes containing ground rubber (see Exhibit 2).

Apart from the promise of our technology for higher quality roads and more economical asphalt paving, its environmental benefits are compelling. Like all ground rubber recycling technologies, it provides an opportunity to eliminate national stockpiles of scrap tires. In addition, since our technology allows asphalt pavement and ground rubber to be recycled without using any heat, it addresses concerns that some have raised relating to the environmental and occupational health consequences of hot mix ground rubber asphalt paving.

In summary, we are hopeful that our product is literally a "better mousetrap" that will provide significantly higher quality roads, competitive costs, and mitigate the environmental and health consequences associated with hot mix ground rubber paving.

Based on the promise our technology has shown in university tests, the Oregon Department of Transportation has authorized a demonstration of it this summer (see Exhibit 3). Unfortunately, if Section 1038 were presently in effect, the State would not receive any Federal credit for its willingness to demonstrate a promising new recycled ground rubber asphalt paving technology. It is this undesirable policy result that prompts us to propose amendments to Section 1038.

The amendments we propose (see Exhibit 4) are technical in nature, clarifying that the definition of "asphalt pavement containing recycled rubber" includes cold as well as hot mix paving technologies. Based upon our conversations with committee staff and others who were extensively involved in the adoption of Section 1038, we understand that when it approved Section 1038 in 1991, the Environment and Public Works Committee intended to authorize the use of cold mix technologies. For example, subsection (e)(1)(b) of Section 1038 would appear to include within the definition of "asphalt pavement containing recycled rubber," "any mixture of asphalt pavement and recycled rubber that is certified by a State and approved by the Secretary." (Emphasis added).

Despite the apparent intent of this Committee, however, the Federal Highway Administration has interpreted the term "asphalt pavement containing recycled rubber" in a manner precluding the use of cold mix technologies. It appears to have done so, however, on technical grounds relating to its strict legal interpretation of the statute. As a matter of policy, it has indicated that it would not oppose the inclusion of cold mix technologies in a revised definition of the phrase "asphalt pave-

ment containing recycled rubber." Broadening the definition, it reasons, will give States greater flexibility in meeting the recycled paving goals of Section 1038.

In addition to our interest in including cold mixes in the definition of "asphalt pavement containing recycled rubber", we also support another amendment to Section 1038—Section 108 of the House-passed version of H.R. 4385. This language, we believe, is a fair compromise, promising to resolve the controversy surrounding implementation of Section 1038 and move our Nation forward in achieving its recycled asphalt paving goals.

When Section 108 was considered by the House Public Works and Transportation Committee, however, a miscommunication between our company and the Committee resulted in a technical error in amending the "Other Materials" provisions of that section. Specifically, Section 108(c) refers to "cold in-place recycling" as an allowable technology. To conduct cold in-place recycling requires a huge capital investment of in-place recycling equipment, which creates a disincentive to cold recycling that would otherwise occur. For example, demonstration of our technology in the State of Oregon this summer will not utilize in-place recycling equipment. Therefore, to promote greater flexibility in the use of cold mix technologies, we request that the words "in-place" be deleted. While this would create greater flexibility in the use of cold recycling technologies, it would not in any way preclude in-place recycling.

In conclusion we commend this Committee for the leadership it has demonstrated in the promotion of recycled asphalt paving. We are confident that the introduction of new technologies, such as that containing our recycling agent, will make recycled asphalt pavement containing rubber the preferred method of asphalt paving in the future. Given present political realities, however, we support the compromise approach to implementation of ISTEA Section 1038 embodied in Section 108 of the House-passed version of H.R. 4385. We request, however, that this Committee improve upon that compromise approach by adopting technical amendments to Section 1038 described above, which clarify that cold mixes are an authorized recycled asphalt pavement technology.

Finally, we urge the Committee to do everything within its power to ensure enactment of a Section 1038 compromise this year. Too much delay in meeting important recycled paving goals has already occurred, and it is unacceptable to continue either the current moratorium on Section 1038 or implementation of that Section without authorization of cold mix technologies.

Thank you for the opportunity to submit this written statement. I would be pleased to respond to any questions you may have.

NOTE: Attachments to this statement have been retained in committee files.

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STATEMENT BY KENNETH M. MEAD, DIRECTOR, TRANSPORTATION AND TELECOMMUNICATIONS ISSUES, RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Committee: We are pleased to have this opportunity to comment on the National Highway System (NHS). This system will influence the framework for surface transportation for decades to come. Just as construction of the Interstate Highway System has been the centerpiece of the Federal-aid highway program, the NHS is expected to assume this role in the future as the most important roads in the Nation are placed within this network. The NHS will form a cornerstone of premier highways with links established to major travel destinations, including ports, airports, rail terminals, and public transportation facilities. These linkages are intended to complement a subsequent effort to create a National Transportation System, which will lead to a seamless transportation system that unifies all transportation modes.

The Department of Transportation (DOT), working cooperatively with State and local officials as well as the private sector, has made great strides in identifying the most important roads in the Nation that should form the basis of the NHS. The development of the proposed NHS was certainly a formidable task. Nevertheless, the results clearly reflect the spirit of cooperation and unity displayed by countless transportation officials throughout the country in identifying, under DOT's leadership, an interconnected system that will serve a majority of interstate and

interregional travel and commerce. The proposal is for an NHS network of about 159,000 miles, which is about 4 percent of the approximately 4 million miles of public roads. However, this system would handle about 40 percent of all vehicle miles traveled, and accommodate over 70 percent of all commercial truck traffic.

Our statement will address (1) the expectations for the NHS, (2) States' rationales for requested adjustments to the NHS mileage the Federal Highway Administration (FHWA) had allocated to them, (3) problems in establishing NHS linkages to other modes of transportation, and (4) future adjustments to the NHS. To address these issues, we discussed the NHS designation process with 10 States<sup>1</sup> and DOT officials in Washington, D.C. and analyzed NHS data. In summary:

- Performance expectations for preservation and maintenance and other important NHS goals need to be established. A well-maintained system should form the necessary foundation for pursuing the myriad of goals for the system, which include economic development, enhanced mobility, improved air quality, and the promotion of travel and tourism. Without such a foundation, system enhancements such as alleviating congestion and improving the efficient movement of goods may not be fully realized. Moreover, FHWA has not coupled the wide range of goals with specific expectations and ways to measure how the system would perform to meet those goals. For example, one possible expectation relates to pavement condition. FHWA data shows only 46 percent of the pavement is considered in good condition for a major component of the NHS—principal non-Interstate highways in urban areas. Yet, whether this is considered an acceptable level cannot presently be answered with any certainty, because expectations have not been established for NHS pavement condition.

- All 10 States we contacted requested adjustments to the NHS miles originally allocated to them by FHWA. Six of 10 States we contacted assumed more NHS miles will translate into more Federal funding in the future, thus these States generally requested additional NHS miles. However, DOT has stressed its intent not to link NHS designation with funding. The remaining four States assume there will not be a correlation between Federal funds received in the future and NHS miles. Two of the four States requested and received fewer miles than allocated to them by FHWA. The remaining two requested more miles than they had been allocated, to meet existing or future system needs.

- The accomplishment of one of the major purposes of the NHS—connecting NHS roads with ports, airports, transit service, Amtrak stations, and highway/rail transfer facilities—is not expected to be completed until 1997. Although symbols for these facilities are on the NHS map provided to the Congress, they are meant for illustrative purposes only and are not intended to reflect actual or proposed NHS connections with other modes of transportation. For example, NHS road access to all 321 Amtrak stations on the map have not been identified. One problem is that DOT has not clearly defined appropriate NHS access to a facility. However, DOT is aware of such problems and plans to develop criteria to identify facilities and determine appropriate access within 2 years after NHS approval. This delay could result in congressional approval of the NHS without knowing what connections will be established to other modes of transportation, unless provision is made now for later review of these connections by the Congress.

- Changing demographic, economic, and other patterns will require future adjustments to the NHS, but a strategy to guide these future changes must still be developed. FHWA recognizes that the NHS cannot be a static system and proposed that the system be allowed to expand by up to approximately 6,000 additional miles in the future. But it is not clear how additional NHS miles would be allocated, what rationale will be required to trigger and/or support size adjustments, and how frequently adjustments could be made. Questions

<sup>1</sup> We chose a sample of 10 States that obtained from FHWA varying adjustments to NHS mileage targets originally allocated to them. The 10 States selected were California, Florida, Missouri, Montana, Nevada, Ohio, Oregon, Rhode Island, Texas, and West Virginia. These 10 States account for 45,000 miles of the proposed 159,000 NHS network, or 29 percent.

like these need to be answered prior to States proposing changes to the system so that States have a framework for how allocation decisions will be made.

Based on our work, we made recommendations to the Secretary, DOT, at a hearing on March 1, 1994, before the Subcommittee on Surface Transportation, House Committee on Public Works and Transportation, that address the need for expectations and performance measures and a framework to guide future changes.<sup>2</sup> A brief background is presented before addressing the individual issues in greater detail.

#### BACKGROUND

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) imposed an NHS mileage limitation of 155,000 miles, which the Secretary of Transportation has the authority to adjust by plus or minus 15 percent. A preliminary map detailing a 150,000-mile system that the Department of Transportation provided to the Congress in February 1991 was the basis for the mileage targets that DOT allocated to the States.

FHWA told the States these mileage targets were a starting point for developing the proposed NHS, and that they could exceed their allocated mileage by up to 15 percent. In granting additional mileage, FHWA compared States with similar characteristics and considered such things as the (1) amount of commercial vehicle travel, (2) relationship of the route(s) to States' long-range transportation plans, (3) importance of the route(s) to regional or interstate travel, and (4) relationship of the route(s) to routes in adjacent States to form multistate corridors. Any adjustments to the original targets have now largely been agreed to by DOT and the States, and DOT submitted a revised map to the Congress in December 1993.

The revised map proposes a system of about 159,000 miles—about 119,000 miles in rural areas and about 40,000 miles in urban areas. DOT estimates that these roads are expected to serve 42 percent of total vehicle miles of travel in rural areas and 40 percent of such urban travel. FHWA estimates that about 98 percent of the system will be formed from the existing road network, as only about 2 percent of the highways are yet to be constructed. About 42 percent of the system is non-discretionary and is divided into four components. First, the 45,000-mile Interstate system; second, 4,500 miles specifically selected by the Congress as high-priority corridors; third, 15,700 miles of non-Interstate highways needed for national defense, which together with the Interstate is referred to as the Strategic Highway Corridor Network; and, fourth, 1,900 miles of connectors to military bases.

The remaining 91,000 miles of the system are discretionary, and thus were the focus of discussion and adjustment between the States and FHWA. This discretionary mileage is intended to encompass other important highways for serving interstate and interregional travel and to provide connections to major ports, airports, public transportation facilities, and other intermodal facilities.

Under ISTEA, the Congress has until September 30, 1995, to approve the NHS designation by law. If the system is not congressionally approved by the beginning of Fiscal Year 1996, then ISTEA cuts off all NHS and Interstate maintenance apportionments. These two programs account for \$38 billion of ISTEA's total \$121 billion highway authorization for the period Fiscal Years 1992–1997.

Although an NHS has not been approved, NHS program funds are now available for 207,000 miles of major highways. However, the amount of NHS funds a State gets is now totally independent of NHS miles. Instead, NHS funds are presently based on each State's Fiscal Year 1987–1991 share of total Federal funding with certain adjustments being made for Interstate maintenance and bridge apportionments, since these programs have a different basis for fund allocation.

#### NHS EXPECTATIONS AND METHODS OF ASSESSMENT NEED TO BE ESTABLISHED

A host of goals are associated with the NHS, but the goals may remain barren ones unless system performance expectations related to the goals are established. FHWA has articulated many goals for the NHS, including economic development,

<sup>2</sup>National Highway System: Refinements Would Strengthen the System (GAO/T-RCED-94-136).

enhanced mobility, reduced congestion, improved air quality, and the promotion of travel and tourism. However, these goals may not be attained unless preserving and maintaining the system is recognized as the foundation for the NHS. Furthermore, FHWA has not coupled the diverse goals for the system with system performance expectations and ways to measure how the system is performing to meet those expectations. Performance expectations could be set that would include measures related to the condition and performance of the system such as ratings of the pavement condition, number of bridge deficiencies, level of safety achieved, and extent of congestion. Unless such measures are established, the success of the system cannot be effectively evaluated.

As part of the Highway Performance Monitoring System, FHWA uses data from the States that classify pavement into broad categories—poor, mediocre, fair and good—based on the roughness of the ride and surface defects. While the data has limitations on an individual State basis, FHWA uses it as an indicator of overall system performance, and is in the process of making system improvements. The data shows pavement condition improved throughout the 1980s and continues to do so into the 1990s. More specifically, in 1991 (the most recent year for which data is available) the indicator shows that the percent of principal highways classified in good condition ranges from a high of 61 percent for rural Interstate highways to 46 percent for principal non-Interstate highways in urban areas. Consequently, the balance of the Nation's major highways are at most in fair condition, which according to FHWA represents noticeably inferior pavements compared to new ones, and pavements that may be barely tolerable for high-speed traffic. (Appendix I displays this data in more detail). Similarly, FHWA reports that as of 1992, 25 percent of the bridges on the Interstate highway system are deficient.

Enhancing the preservation and maintenance of the Nation's premier roads was mentioned as the most common expectation for the NHS by 6 of the 10 States we contacted. Other expectations mentioned included (1) sustaining mobility by recognizing the need to widen high-volume traffic roads on the NHS, (2) enhancing economic development, (3) increasing trade by serving all major international border crossings, and (4) providing a focus for the overall Federal-aid highway program now that Interstate construction is nearly complete.

This wide range of system expectations may be realized to various degrees over time. However, certain expectations compete with one another while others are complementary. For instance, increased trade and tourism and decreased congestion are at times competing goals, while decreased congestion and improved air quality can be complementary. The fact that NHS goals at times compete makes it more imperative that performance measures be established to assess the system's accomplishments or lack thereof. FHWA has not identified such performance measures; rather its efforts have essentially been focused on considering the use of existing data collection tools that could provide some indicators of the system's performance. In fact, FHWA is proposing that upon designation of the NHS, consultation would continue with interested groups to develop or refine existing policies and goals related to the performance, operation, and maintenance of the NHS routes. We agree that such refinements can and should continue after NHS designation. However, without basic expectations being set, such as those related to pavement condition and bridge deficiencies, no basis for assessing system accomplishments will exist.

Potential performance measures that could be used to track the performance of the system include ratings of the pavement condition, the number of bridge deficiencies, the number of fatalities, the extent of congestion, and the percentage of lane miles devoted to high-occupancy vehicles. For example, a performance expectation could be established that at least 75 percent of the Interstate highways be considered in good condition and at least 65 percent of other NHS highways be rated in good condition. These expectations could be strengthened over time and further refined to reflect needed urban and rural distinctions.

In some cases, the use of existing data sources to support NHS performance measures would need to be modified to more precisely capture NHS data. For instance, tools, like the Highway Performance Monitoring System, used to assess pavement condition, are not now aligned with the proposed 159,000-mile NHS network; data are now collected on a larger network of 207,000 miles. To collect data for the NHS,

tools would have to be modified to capture pavement condition and form a benchmark for evaluating subsequent performance.

ASSUMPTIONS ABOUT FUTURE FEDERAL FUNDING LED MOST STATES SURVEYED TO SEEK MILEAGE ADJUSTMENTS

The allocation of Federal NHS funds to States is not currently tied to their mileage allocation on the NHS, but a number of States assume there will be changes to the allocation process in the future. Most of the 10 States we talked to sought increases or decreases in their NHS mileage allocations on the basis of these assumptions.

The current allocation of Federal funds to States is based on each State's Fiscal Year 1987-1991 share of total national highway funding, with certain adjustments being made for Interstate Maintenance and Bridge apportionments. However, 6 of the 10 States surveyed assumed there will be changes to the allocation process,<sup>3</sup> and more NHS miles may mean in their view more Federal dollars in the future. Thus, these States generally sought to obtain additional NHS mileage. Their assumption that more NHS mileage will mean more Federal funds in the future prevails despite FHWA's statement that they do not intend to propose using NHS miles as a basis for allocating NHS program funds in the future.

The remaining four States surveyed—Oregon, Montana, California and Florida—assumed there would be no link between NHS miles and Federal funds received in the future. Although Oregon and Montana did not link NHS miles with the amount of Federal funds received, these States requested more miles than they were allocated. In Oregon's case, this was to accommodate its future system needs. Montana wanted to include some important routes that would be needed for commercial purposes. The other two States requested fewer NHS miles than allocated to them by FHWA. A senior Florida transportation official noted that the State elected to limit its NHS miles because of the costly highway needs facing the State, and its reluctance to dilute future funding by attempting to spread the funds over a larger network. A senior California official stated that a primary reason leading the State to limit its NHS mileage was the assumption that Federal funds other than funds for the NHS may be returned directly to the States in the future. Returning funds directly to the States has been proposed in the past, and while it could take several forms, it generally means that Federal gasoline tax revenues collected by the State, excluding those revenues supporting the NHS program, would be returned to the State. If these tax revenues were returned directly to the States, this could give the States more control over the funds with less Federal restrictions. Under these conditions, States may seek to limit miles on the NHS.

From an overall perspective, most States elected to seek adjustments to NHS mileage targets provided to them by FHWA.<sup>4</sup> Specifically—

- 42 States, and the District of Columbia increased their targeted miles, ranging from 10 miles in the District of Columbia to 979 miles in South Dakota.
- 13 of the 42 States received mileage increases over the 15 percent limit.
- 7 States decreased their target miles, ranging from a 9 mile decrease to approximately a 1,400 mile decrease. (1 State and Puerto Rico received their target miles).

The original NHS rural mileage targets were increased from 105,262 miles to 118,697 miles—an increase of 13,435 miles. The initial urban mileage allocation totaled 44,625 miles, and while certain States increased their urban miles, overall there was a net decrease in urban miles to 40,627 miles—a reduction of 3,998 miles. After factoring in these State adjustments, the proposed system represents approximately 75 percent rural miles and 25 percent urban miles, which is roughly proportional to the Interstate highway system split between urban and rural miles. Appen-

<sup>3</sup> The six States were Missouri, Nevada, Ohio, Rhode Island, Texas, and West Virginia. Except for Rhode Island, these States requested additional NHS miles above their original NHS mileage allocations.

<sup>4</sup> These numbers are as of July 8, 1994 and reflect the adjustments that were made after the proposed NHS system was submitted to the Congress.

dix II shows mileage adjustments for individual States approved by FHWA for the proposed NHS.

#### NHS LINKAGES TO OTHER MODES NEED TO BE FINALIZED

One of the major purposes of the NHS—establishing connections with other transportation modes, such as major ports, airports, and public transit—may not be completed until 1997 or the establishment of the National Transportation System. DOT is proposing that Congress approve the NHS with the understanding that the connections would be made after such approval. In the interim, the NHS map indicates, for illustrative purposes, possible connections that may be made.

DOT has stated that the illustrative connections on the map are not intended to imply that the NHS connects with every facility identified, or that such connections will necessarily be made in the future. Instead, DOT is proposing that within 2 years of NHS approval, the States, in cooperation with the metropolitan planning organizations and other officials, identify major intermodal facilities and appropriate access on the basis of criteria currently being established.

FHWA's initial intention to establish the NHS' connection with other transportation modes as part of the NHS designation process proved unsuccessful. One of the reasons was that FHWA's NHS instructions to the States on the NHS designation process in June 1992 did not define what a major intermodal facility was. Instead, FHWA stated that States and the metropolitan planning organizations were in the best position to make these determinations. However, when the States submitted their proposed NHS roads and other modal facilities to FHWA, they were inconsistent. Some States and metropolitan planning organizations gave considerable attention to identifying major intermodal facilities, such as ports and airports, and providing access where appropriate. Others gave less attention to this subject.

As a result, FHWA believed it needed to rethink the State effort. FHWA subsequently worked with DOT modal administrators and the private sector to identify the connections with other modes illustrated on the map. As appendix III shows, the list of connections include 104 ports, 143 airports, 321 Amtrak stations, 191 rail/truck facilities, and 319 public transit systems.

It is clear that facilities such as major airports generally have access provided by an Interstate highway, thus such facilities would be connected to the proposed NHS. Nevertheless, DOT acknowledges that a number of mistakes were made in developing the illustrative list of connections to the NHS. For instance, neither FHWA nor the Federal Railroad Administration could identify the NHS road access provided to the 321 Amtrak stations on the map. In addition, DOT has not defined what it means by appropriate NHS access to a modal facility, such as a facility that is within one mile of an NHS route. Similarly, neither FHWA nor the Federal Transit Administration could provide us with any details on what type of NHS connections had been established with the 319 public transit systems. Also, intercity bus terminals were inadvertently omitted from the illustrative listing of NHS connections. It is important that much connections be provided for; a representative of Greyhound Lines, Inc., noted that intercity buses may be the only means of intercity transportation for many rural residents and the elderly. Lastly, as shown in Appendix III, FHWA did base selection of the illustrative facilities on criteria. However, they are reassessing it as part of their ongoing efforts to develop criteria by October 1, 1995 to guide selection of intermodal facilities. As part of its development efforts, FHWA will try to link NHS criteria with DOT's development of the NTS and incorporate results of ongoing State and metropolitan planning organization efforts resulting from ISTEA's requirement to have a statewide intermodal transportation plan by January 1, 1995.

In the near term, the proposed NHS represents a highway system of important roads, but the connections shown on the map remain illustrative ones. Furthermore, the establishment of consistent, broader NHS linkages to other transportation modes may be postponed possibly until 2 years after NHS enactment, or be accomplished as part of the development of the National Transportation System. Acceptance of such a delay could mean that the Congress may not have the opportunity to weigh in on the criteria established and the resulting outcomes of NHS connections to other modes of transportation and major travel destinations. Alternatively,

the NHS could be approved conditionally based on subsequent Congressional approval of the connections established to other modes of transportation and major travel destinations.

#### A FRAMEWORK IS NEEDED TO GUIDE FUTURE CHANGES TO THE NHS

DOT wants a certain degree of flexibility to allow for adjustments to the NHS and proposed that the Secretary of Transportation be given the authority to increase the 159,000 mile system by about 6,000 miles, bringing the total to 165,000 miles. However, DOT has not decided how these additional miles would be allocated, what rationale will be required to trigger and/or support size adjustments, or how frequently adjustments could be made.

DOT plans to accommodate future NHS changes, which could arise because of factors such as population shifts, changes in defense logistics, and increased or decreased transportation demands arising from other modes. Also, statewide intermodal transportation plans that are due January 1, 1995, may identify needed changes to the NHS. Since no criteria have been established for identifying connections to other modes, it is not possible to reliably estimate the total additional miles that may be needed to complete these major linkages.

Moreover, while we agree that flexibility is important, DOT's proposed governing framework for NHS size adjustments could be improved. DOT proposed that any changes would be (1) suggested to the Secretary of Transportation by the States, and (2) States would have to identify the modifications cooperatively with local officials through the statewide and metropolitan planning processes. We agree it is critical to continue to work with States and local officials through their planning processes as DOT suggests. However, additional information, such as rationale for size adjustments and frequency with which adjustments could be made, is needed prior to any allocation of additional mileage above the proposed base system of 159,000 miles. Moreover, it would provide the Congress with a clearer understanding of how this system may grow in the future.

#### OBSERVATIONS

The proposed NHS map not only illustrates premier highways, but also reflects positively on the hard work and cooperative efforts displayed by the Federal, State and local transportation community and the private sector. This process can be even further strengthened through the accomplishment of several important elements. These elements include establishing (1) system expectations and performance measures, (2) connections with other modes of transportation, and (3) a procedural framework for future adjustments.

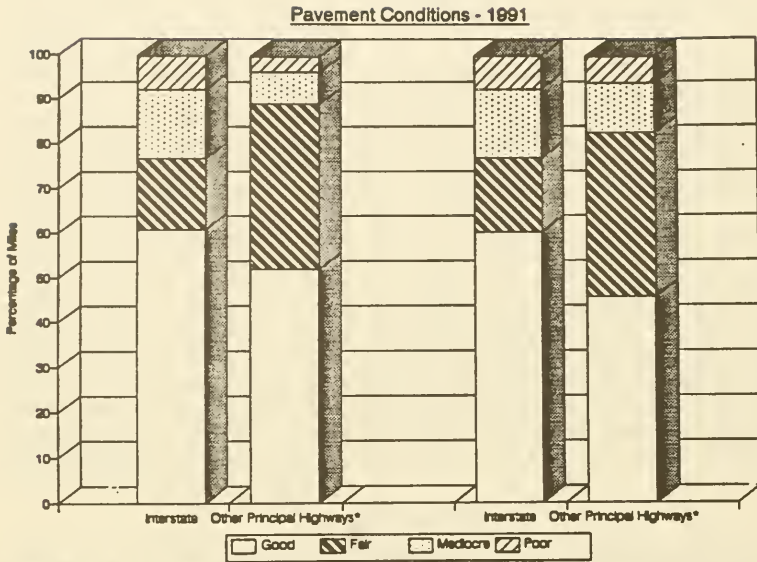
While these elements could be postponed and dealt with after the NHS is approved because the system will be flexible and changes can be incorporated later, we believe system enhancement will be well served by addressing these elements. First, developing expectations would provide a means to clearly identify what the NHS is to accomplish, and coupling expectations with performance measures would provide baseline data to measure progress in meeting expectations. Therefore, we recommended that the Secretary, DOT, direct FHWA's Administrator to develop performance expectations and measures in conjunction with the major goals of the NHS to ensure that progress can be assessed, particularly in critical areas such as pavement condition and the extent of congestion.

Second, the Congress may not have the opportunity to evaluate the resulting outcomes of criteria used to identify connections to other modes, because identification and use of this criteria would occur after the Congress approves the NHS. Identifying these connections would enable the Congress to approve one of the cornerstones of the NHS as envisioned by ISTEPA, particularly since there is presently no provision for the Congress to buy in to future changes after it approves the NHS. Alternatively, the Congress could consider approving the NHS conditionally with final approval subject to later review of the connections established to other modes of transportation and travel destinations.

Finally, uncertainty over how any additional miles will be allocated could cause confusion at the State level. We recommended that the Secretary, DOT, direct



FHWA's Administrator to develop a procedural framework within which changes to the NHS can be considered. Such a framework could include, among other things, how any additional miles would be allocated, what rationale will be required to support size adjustments, and how frequently the adjustments could be made. The need for such a framework could occur in the short term as State transportation plans that may result in proposed changes to the NHS are due January 1, 1995.



\* Other Principal Highways represents for rural other principal arterials and for urban other principal arterials, freeways and expressways.

Source: GAO's analysis of FHWA's data.

Difference Between NHS Mileage Target For States and Mileage Approved  
After FHWA Submittal to Congress (as of July 1994)

State	Mileage difference: Target versus FHWA approved miles	Percentage change: Target versus FHWA approved miles
Mileage increased by 16 to 53 percent		
Alabama	539	17%
Hawaii	97	45%
Kentucky	459	20%
Montana	669	29%
Nebraska	485	19%
Nevada	326	18%
New Mexico	491	20%
North Dakota	487	22%
Oregon	747	25%
South Dakota	979	51%
Vermont	112	20%
Virginia	480	16%
Wyoming	528	26%
Mileage increased by 6 to 15 percent		
Colorado	396	13%
Delaware	32	11%
D.C.	10	15%
Georgia	446	11%
Idaho	142	6%
Iowa	212	7%
Louisiana	301	13%
Maine	104	10%
Massachusetts	133	8%
Minnesota	229	6%
Mississippi	293	12%
Missouri	555	14%
New Hampshire	91	13%

APPENDIX II

APPENDIX II

New Jersey	103	6%
South Carolina	229	9%
Tennessee	367	12%
Utah	261	14%
West Virginia	194	13%
Wisconsin	528	15%
Mileage increased by less than 5 percent		
Alaska	17	1%
Arkansas	110	4%
Connecticut	11	1%
Illinois	144	3%
Kansas	133	4%
Maryland	18	1%
Michigan	135	3%
North Carolina	0	0%
Ohio	60	1%
Oklahoma	106	3%
Puerto Rico	0	0%
Texas	443	3%
Washington	20	1%
Mileage decreased		
Arizona	-34	-1%
California	-1,127	-13%
Florida	-1,417	-25%
Indiana	-143	-5%
New York	-196	-4%
Pennsylvania	-9	-2%
Rhode Island	-59	-18%

Note: Adjustments were made after the proposed NHS was submitted to the Congress.  
Source: GAO's analysis of FHWA data.

Proposed Intermodal Facility Connections On The NHS

Type of Connection	Number	Potential Threshold
Ports	104	Includes all major container ports. Each port handles more than 750,000 short tons of cargo per year or more than 350,000 short tons of cargo in foreign trade. Also includes ports that meet national defense requirements. The 104 ports shown on the proposed NHS maps handle about 72 percent of total U.S. waterborne cargo tonnage.  Does not include ports that are primarily dependent on rail and/or pipelines for the movement of cargo to and from the port area.
Airports	143	Each airport handles more than 250,000 annual enplanements, or about 96 percent of total annual domestic enplanements, as well as a similarly large amount of civilian airborne cargo.
Amtrak Stations	321	Each station handles a combined total of over 20,000 entrainments and detrainments over the most recent 3-year reporting period.
Rail/Truck Facilities	191	Each facility handles more than 5,000 annual origins and/or destinations of railroad cars and relies heavily on the rail/truck intermodal connection.
Public Transit Systems	319	Includes all of the public transit systems reporting to the Federal Transit Administration under its section 15 data collection system in FY 1992. Since the NHS connects to all urban areas with populations above 25,000, access is provided to public transit systems serving over 99 percent of all transit riders. The metropolitan area maps will contain information on fixed guideway public transit routes (light, rapid, and commuter rail routes and busways).

\* NOTE: These connections are meant for illustrative purposes only and are not intended to reflect actual NHS Connections with other modes of transportation. Their purpose is essentially to illustrate connections that may be made in the future.

Source: GAO's analysis of FHWA's data.

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July 13, 1994

The following testimony is in reference to the inclusion by the Indiana Department of Transportation (InDOT) of the proposed Indianapolis-to-Evansville highway in its proposal for the National Highway System. InDOT has also requested a special appropriation from Congress of \$54 million to speed up construction of the proposed highway.

### **HECAF Background**

The Hoosier Environmental Council Action Fund is the lobbying arm of the Hoosier Environmental Council (HEC). HEC is Indiana's largest non-profit environmental advocacy organization. HEC is a coalition of 67 member groups ranging in diversity from traditional environmental groups to church groups and labor unions. HEC also has an individual membership of approximately 48,000 Indiana citizens.

### **Specious Arguments For The Evansville Highway**

The Indianapolis-to-Evansville highway is a joke being played upon the environment and the taxpayer - and it's a bad joke.

The highway promoters cannot be serious about the benefits they claim will occur - benefits that have been refuted by seven government studies in the last 28 years - studies that say the benefits will not occur - or at least not to an extent which justifies the extraordinary cost of the new highway. All of the government-funded studies concluded the highway should not be built.

The reasons for building the highway have changed over the years. Initially, the main publicly-stated reason was to save travel time between Indianapolis and Evansville. After all, they argued, shouldn't the state capital and the state's third largest city be connected by a "direct" interstate highway? The promoters switched their publicly-stated reason to economic development after a federal highway administration official pointed out that if existing highways were upgraded, travel time between the two cities would take only 8 minutes longer than the new proposed route.

The highway promoters are also playing a shell game with Congress and the taxpayers when describing the highway. If they're talking to people in other states who

they are trying to get to jump on this pork barrel bandwagon, then it is the "mid-continent highway". If they are talking to people in Indianapolis, then it is the highway to Evansville, with no description of the route. If they are talking to people in Bloomington or Oakland City, Indiana, then it is the Bloomington to Evansville Highway.

This last description is incongruous with a "mid-continent" highway or an extension of I-69 from Indianapolis to anywhere. The Indiana Department of Transportation (InDOT) has yet to request funding or start an Environmental Impact Study for upgrading the road between Bloomington and Indianapolis. How can a highway between Bloomington and Evansville be a part of such a grandiose mid-continent highway scheme when it is not connected to I-69 in Indianapolis? If it were truly a mid-continent highway then an Environmental Impact Statement might have to be done for the entire Indianapolis to Laredo, Texas route. When it comes to gaining popular support for the highway, it is promoted as all things for all people. When it comes to gaining Congressional funding or complying with the National Environmental Policy Act, then it is just a highway from Bloomington to Evansville.

#### **Neglect of Public Concern and Existing Roads**

Public input into the proposed highway has been a public sham. InDOT's format for public hearings does not allow citizens to publicly discuss highway proposals. Comments are not allowed to be publicly voiced during the hearings. At one public meeting concerning the Evansville Highway held in Bloomington in October, 1991, InDOT even brought in the Sheriff's Department to make sure that citizens complied with this undemocratic format. While InDOT officials assure us that no final decisions for a highway route have been made, this process is designed to ensure that their preferred alternative is implemented without any public opposition. This format is also designed to stifle the natural coalitions that are formed by citizens when faced with a government that is about to take their land, destroy their environment, and waste their tax dollars. The Bloomington *Herald-Times* recently editorialized against this hearing format (copy attached).

The Hoosier Environmental Council Action Fund drafted a bill that was considered by the 1994 Indiana Legislature to force InDOT to listen to the public at public hearings and allow citizens to appeal InDOT decisions. The bill was killed because InDOT complained that giving citizens such rights would be too costly. Other state agencies such as the Department of Environmental Management and the Department of Natural Resources conduct fair and open public hearings despite having much smaller budgets.

InDOT has also not complied with the 1991 Federal Intermodal Surface Transportation

Efficiency Act (ISTEA) which requires states to adopt new public participation processes. This law stresses the importance of early and frequent public input into transportation planning. This law also places higher priority on cleaner modes of transportation such as high-speed rail and bicycles, while InDOT's public hearing format ensures the status quo of highway building will continue.

Pouring money into this highway also detracts from other transportation projects which are less costly and less damaging to the environment, such as maintaining existing roads or investing in mass transit. Alternatives such as upgrading existing roads are not being considered by InDOT in their environmental studies of the highway. A December, 1993 report entitled "A Study of Local Roads and Bridges in Indiana" conducted by the Association of Indiana Counties and the Indiana Association of Cities and Towns found that inadequate funding of local roads and bridges has resulted in projected unmet funding needs of \$2.7 billion. The survey found that 68% of all local roads are in poor or fair condition and that 43% of local bridges are rated deficient. The survey also found that there are more than 15,200 miles of unfunded resurfacing needs and more than 10,200 miles of unfunded reconstruction needs statewide (Summary of Findings attached).

### **Environmental Damage**

The Evansville highway would destroy at least 4,000 acres of farmland, forests and wetlands, increasing noise, air, and water pollution. It would bisect southwest Indiana's karst region, damaging habitats for endangered blind cave fish and bats. In 1993, InDOT was cited by the Indiana Department of Natural Resources for violating the state's endangered species act when a road widening project in this karst region led to damage to habitats of endangered blind cave fish. Gasoline spills and dye tracings from sinkholes in this region have shown the complexity and fragility of underground ecosystems as well as the threat to drinking water supplies.

### **Conflict with the Intermodal Surface Transportation Efficiency Act of 1991**

Plans for the Indianapolis-to-Evansville Highway are a direct contradiction to ISTEA's Declaration of Policy:

"It is the policy of the United States to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the nation to compete in the global economy, and will move people and goods in an energy efficient manner.

The national Intermodal Transportation System shall consist of all forms of



Page 4 of 4

transportation in a unified, interconnected manner, including the transportation systems of the future, to reduce energy consumption and air pollution while promoting economic development and supporting the Nation's preeminent position in international commerce."

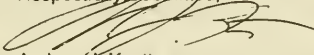
The Indianapolis-to-Evansville Highway: 1) has been found by all government funded studies to be economically inefficient; 2) is not environmentally sound; 3) is not energy efficient; 4) is not a transportation system of the future; and 5) will increase energy consumption and air pollution. Lastly, I would argue that increasing the national debt by spending over one billion dollars on a highway that is not needed, coupled with the effects on the U.S. trade deficit resulting from increased dependence on foreign oil by encouraging auto use, will actually reduce the Nation's ability to compete in a global economy and threatens our preeminent position in international commerce.

#### **Widespread and Growing Citizen Opposition**

There is widespread and growing citizen opposition to this project throughout Indiana. HECAF has collected over 45,000 signatures on petitions opposing the highway's construction (sample petition attached). The state's largest newspaper, the Indianapolis *Star*, as well as the Terre Haute *Tribune-Star* have both editorialized against the highway (copies attached). At least two state senators and two state representatives have spoken out against the new road.

Thank you for this opportunity to submit written testimony on this important matter. We ask that your committee take these concerns into consideration and reject any further funding of this environmentally devastating and fiscally wasteful project. The environment and the taxpayers will thank you for it.

Respectfully Submitted,



Andrew J. Knott  
Air and Energy Policy Director

Attachments

NOTE: ATTACHMENTS TO THIS STATEMENT HAVE BEEN RETAINED IN COMMITTEE FILES.

## STATEMENT OF THE INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION

Mr. Chairman and Members of the Committee, we appreciate this opportunity to offer our comments on the need for approval of the National Highway System. We commend you, Mr. Chairman, for your leadership in this process and for focusing Senate attention on this issue in such a timely manner.

IBTTA is the only trade association representing the world-wide toll industry. Our members consist of toll authorities in 24 countries on five continents. Among these are more than 50 toll agencies in the United States, whose facilities carry more than 3.6 billion vehicles a year.

IBTTA strongly supports the timely adoption of the National Highway System. In conversations with our members and viewing the proposed system map, most major toll facilities have been included in the State submissions and have thereby been incorporated into the NHS system proposal. Submitted with this statement is a map developed by IBTTA which notes the locations of U.S. toll facilities. If you compare this map with the Department of Transportation's NHS proposal, you will readily note the high degree of correlation.

Since toll financing usually makes sense only in locations where there is an adequate customer base willing to pay a premium for better access to their destinations, the fact that most U.S. toll facilities are included in the NHS proposal validates the effort to include major transportation corridors and multi-modal portals. Clearly these facilities are of significant importance to the States which developed the initial proposals, as well as to the U.S. DOT.

In our view, the NHS is the cornerstone of a National Transportation System. Without the baseline provided by a clearly defined system and dedicated funding for the core surface transportation network, it will be very difficult to develop the co-ordinated multimodal approaches needed to service our Nation's travelers. Many of IBTTA's members operate transit systems as well as roads, bridges and tunnels, and we are very supportive of multi-modal approaches to meeting these needs.

Without an approved NHS system to provide the framework for a national road system, we will face the prospect of 50 States addressing their individual and varied needs (transportation, economic development, job generation, etc.) strictly through flexible funding programs such as the Surface Transportation Program (STP). While the STP is a valuable tool for the States, it alone cannot be viewed as serving a national interest as well as the NHS.

Such a fragmentation would also have an international impact as well. Much attention has been given to the potential economic impacts associated with the approval of the North American Free Trade Agreement (NAFTA) and border-crossing transportation issues have been the focus of much work by the U.S. DOT. Without a national approach to address the transportation needs of those entering, leaving or passing through the United States, not just at the borders but also in the interior States, it seems unlikely that the full potential benefits can be realized.

#### *Toll Road Development*

The development of toll roads continues at a very strong pace. A recent IBTTA report identifies proposals for more than 1,948 miles of new road and bridge facilities in 18 States and Puerto Rico at a projected cost in excess of \$27 billion. A detailed listing of these projects is attached for your information. Toll projects such as these greatly reduce demand for public financing. Without toll financing, many of these needed transportation projects could advance only if additional State or Federal taxes were imposed to support larger transportation improvement programs.

#### *NHS Concerns*

While the NHS does represent a narrowing Federal focus on road systems, we would hope that some discretionary authority be granted to the U.S. DOT to include still-to-be-developed facilities and needed connectors on the NHS as appropriate. In the future, there will undoubtedly be instances where innovatively financed projects—unforeseen or considered unlikely while the NHS system proposal was being developed—should be incorporated into the system. As an example, the Dulles

Greenway, a privately developed toll road now under construction in Virginia, might warrant inclusion in the NHS at some point in the future.

We would also like to bring to the committee's attention a concern expressed by some of our members that particular bridges or other facilities have been included in the proposed NHS system, yet connecting highways leading to the facilities were not. Without adequate highway capacity connecting these vital facilities to the larger transportation network, the motoring public may not be able to make full and effective use of all road capacity in their region.

#### *ISTEA Technical Corrections*

We are pleased to hear of the Chairman's intention to introduce an ISTEA technical corrections this fall. We would urge the consideration of the technical corrections to the toll provisions of ISTEA which have been incorporated in the House NHS measure.

We have been gratified by the consideration given to toll facility concerns in the House approved measure and we recommend the toll language modifications for the Senate's consideration and inclusion in the eventual Senate technical corrections measure. Approval of these corrections will do much to streamline the implementation of ISTEA provisions.

We would further recommend that the Committee consider modifications to the innovative financing provisions of the ISTEA in order to make these features truly beneficial to the nation. As it now stands, innovative financing techniques have been slowly introduced on a trial basis in several States. The major stumbling block to the widespread use of these techniques is that the funds to conduct innovatively financed projects must come from the general State apportionments, which are already inadequate to meet most needs. This presents the State agencies with a difficult choice as to whether they better serve their clients through traditional means or whether they should experiment with a new process and procedures.

The Federal Highway Administration has been looking into how to surmount such difficulties through an innovative financing demonstration project which they report has garnered 60 submissions proposing innovative ways to leverage existing funds or streamlining operations. We applaud the FHWA efforts and recommend them to the Committee's attention.

We also appreciate the efforts of the Chairman and others in Congress to advance revolving funds for infrastructure development that could also lead to greater funding for transportation development. We would note though that the difficulty with many of these proposals remains that the State agencies must resolve to redirect a portion of their current funding stream to revolving fund. If there are unused funds in a particular class of funds which could then be put to a productive purpose is one thing but to shift funds from a program which is being fully used is more problematic. We are unsure how readily that State DOT's would be willing to direct certain classes of funds that could then be made available for capitalizing the revolving funds. We believe these proposals are steps in the right direction and we look forward to working with the Chairman and the Committee in perfecting such helpful mechanisms.

There are several potential ways to address these difficulties; perhaps allowing States to redirect funds from a wider range of the categorical programs and/or using the balances of the highway trust fund to guarantee State revolving funds until they become fully self-sufficient.

#### *Electronic Toll and Traffic Management (ETTM)*

On past occasions we have had the opportunity to update the Committee on the use of highway technology applications in the toll industry, particularly Electronic Toll and Traffic Management (ETTM) systems. Enclosed with this statement is a recent IBTTA survey which documents some of the trends in the application of Intelligent Vehicle Highway Systems (IVHS) at toll facilities. Since toll agencies have a very strong incentive to satisfy their customers, as well as bondholders, they are often on the forefront of adopting new technologies and practices which improve traffic flow and safety, as well as reduce operating and development costs.

ETTM allows more efficient processing of toll collections. Tolls are paid electronically, allowing a motorist to pass through a toll plaza nonstop. At present, more than 20 of some 55 toll authorities in the United States are either using or actively considering ETTM.

Mr. Chairman and Members of the Committee, we appreciate the opportunity to offer these comments for your consideration and we would be pleased to offer any further information that might be useful to the members and staff.

IVHS AMERICA

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July 25, 1994

The Honorable Max Baucus  
Chairman  
Committee on Environment and Public Works  
United States Senate  
456 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Mr. Chairman:

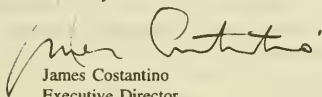
On July 15, you held a hearing on the National Highway System taking testimony from a number of witnesses, including U.S. Secretary of Transportation Federico Peña, who was accompanied by Federal Highway Administrator Rodney Slater.

On July 21, 1994, Administrator Slater testified before the House Public Works Subcommittee on Investigations and Oversight on the Intelligent Vehicle-Highway Systems (IVHS) program. In his testimony, he stated that: "As U.S. surface transportation policies evolve from constructing new facilities to more effective operation and maintenance of existing facilities, we envision that IVHS technologies will play a significant role, particularly on the new National Highway System called for by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)."

On June 29, Lawrence Dahms, Executive Director of the Metropolitan Transportation Commission of Oakland, California, and Chairman of the Board of IVHS AMERICA, and I testified before the same subcommittee. I have attached our testimony and request that you include it in the record for the July 15 hearing held in the Senate Environment and Public Works Committee.

Our purpose is simply to inform your committee of our role in the IVHS program. Please contact me if I can provide any additional information.

Sincerely,



James Costantino  
Executive Director

STATEMENT OF LAWRENCE D. DAHMS, EXECUTIVE DIRECTOR, METROPOLITAN  
TRANSPORTATION COMMISSION, OAKLAND, CA

Mr. Chairman, Members of the subcommittee, I am Larry Dahms, Executive Director of the Metropolitan Transportation Commission in Oakland, California and Chairman of the Board of the Intelligent Vehicle-Highway Society of America. It is a pleasure to be here to testify on behalf of IVHS AMERICA. This morning I am accompanied by Dr. James Costantino, Executive Director of IVHS AMERICA. The purpose of this testimony is to provide an update of the IVHS program based on questions you submitted to us prior to this hearing.

A public-private partnership, IVHS AMERICA has over 500 participating member organizations from the private sector, the public sector, associations, academia, and members of the international IVHS community. We also actively recruited public interest groups and a number of them participate with us.

Mr. Chairman, I understand that the I-95 Corridor Coalition, a highly successful public-private partnership is testifying today. I have the utmost respect for their work. They are one of the most focused and dedicated groups at IVHS AMERICA. They deserve full congressional support for their funding request of \$12.5 million.

*IVHS AMERICA's Role in the Development and Implementation of Intelligent Vehicle Highway Systems*

Our mission is to accelerate the development and deployment of advanced technology for our Nation's surface transportation system. We operate as a non-profit scientific and educational institution. IVHS AMERICA's role in the IVHS program is to bring interested parties to the table, to coordinate their efforts and to build consensus. We provide this information to the U.S. Department of Transportation as a utilized Federal Advisory Committee.

We wish to compliment the U.S. DOT for its leadership role in helping to address the issues in the IVHS public/private partnership. As the lead public-private partnership, our goal is also that our meetings will encourage our members to foster public-private partnerships for IVHS development on all levels.

*Intelligent Vehicle Highway Systems—IVHS*

IVHS uses advanced computer, electronic, and communications technologies to address the problems of the entire surface transportation system. Many of these technologies have in the past advanced other modes of transportation, such as aviation and rail. Applying IVHS technologies to the surface transportation system will reduce congestion, increase safety, enhance economic productivity, improve energy efficiency and environmental quality, and create new markets. Our own plans show that deployment of IVHS can, by the year 2011, reduce traffic congestion by up to 20 percent and reduce traffic fatalities by up to 8 percent.

*TRAVINFO*

I am involved in TRAVINFO, an IVHS operational test that addresses travel and traffic management in the San Francisco Bay area. CALTRANS, the Bay Area Ad Hoc IVHS Committee and the Federal Highway Administration are working together. The TRAVINFO project will implement a comprehensive, regionwide traveler information system, capable of supplying a broad array of devices and users with transportation information both before and during trips. TRAVINFO includes the development and operation of a multi-modal transportation information center that will integrate transportation information from a wide variety of sources and make the information available to the general public, public agencies and commercial vendors.

TRAVINFO will pursue an "open-access" architecture for all aspects of the system to provide for future growth and facilitate the transfer of technology. The architecture design contract has been awarded. The evaluation plan has been finalized. The management board is meeting regularly to discuss and resolve issues. TRAVINFO, which began in 1993 and will run approximately through 1996, is an excellent example of a successful IVHS project.

The information gathered from these projects can be directly integrated into the broader-based efforts to provide a framework for IVHS deployment, namely the ef-

forts to draft a National IVHS Program Plan and develop an IVHS system architecture. We are coordinating these planning efforts to minimize conflict between the IVHS architecture development and our efforts on standards identification and development. These two programs are described below.

#### *IVHS System Architecture Program*

We are working with the U.S. DOT to develop an "open" IVHS system architecture, slated for completion in 1996. The goals of the program are to ensure nationwide compatibility through development of a technically sound architecture, to encourage innovation, and to develop a wide base of support for the selected architecture.

An architecture will allow stakeholders to adopt the elements of IVHS in the manner and timeframe of their choosing, enable these elements to be supplied by multiple vendors, serve as the foundation for standards that can reduce duplication of effort by the stakeholders, speed the introduction of IVHS products and services and reduce the risk for the private sector developing these products and services.

IVHS AMERICA recommended a system architecture development methodology to U.S. DOT which uses the efforts of multi-disciplinary public/private/academic teams. The U.S. DOT initiated the National IVHS Architecture Development Program which tracks with IVHS AMERICA's recommendations.

The U.S. DOT has selected four consortia led by Hughes Aircraft, IBM-Loral, Rockwell International, and Westinghouse Electric to each develop an alternative IVHS architecture. Phase I which entails architecture definition, lasts 15 months and ends in December 1994. The consortia with the most promising architecture, based both on technical soundness and stakeholder preferences, will continue into Phase II. At that time, architecture refinement and evaluation will occur from December 1994 to July 1996. As presently planned, at the conclusion of Phase II in mid-1996, a national IVHS system architecture will emerge.

An extensive effort has been underway to involve the involved those who will use, design, build, operate, maintain, and be impacted by these systems. These stakeholders have helped design a consensus building process. This process includes four entities: the IVHS Architecture Consensus Task Force, which consists of 40 major national organizations; regional architecture forums open to the public; the technical committees and regional chapters of IVHS AMERICA. In each of these entities, stakeholders interact to address the issues associated with the architecture program.

#### *The National IVHS Program Plan*

We are also working with DOT on the National IVHS Program Plan which will serve as a tactical plan to assure coordination and integration of IVHS activities among all of the participants in the program. The Plan represents a collaborative effort toward deployment. It collects the expertise and information compiled by elements of the members of IVHS AMERICA, the U.S. DOT, and public and private entities that offered comments to IVHS AMERICA and the public docket. It sets out the categories of services that IVHS applications can provide, how those categories interrelate, what the technologies are likely to involve and how they might evolve.

The Plan identifies 28 "user services," such as pre-trip travel information, route guidance, ride matching and reservation, commercial vehicle electronic clearance, vision enhancements for crash avoidance, and traffic control.

In June, IVHS AMERICA and the U.S. DOT are conducting a series of regional forums based in five metropolitan areas to solicit public comment on the second draft. The final edition of the Plan will be completed in December 1994.

As IVHS evolves, the U.S. DOT, IVHS AMERICA, State and local governments, the private sector and the public, will continue to assess changes in government policy, technology, market conditions, and program successes and failures as part of the national programming process. As now envisioned, formal IVHS Program Plan updates will be prepared on an annual basis and reported to Congress.

#### *Standards Development Process*

Standards play a critical role in the development of a national IVHS system. The U.S. DOT has contracted much of its standards-making mandate to IVHS AMER-

ICA. Although not a standards-developing organization, IVHS AMERICA has taken the lead in building the consensus which leads to the production of required standards.

We are working with the various standards-developing organizations (SDOs) to ensure that their standards support the overall IVHS program and do not duplicate each other's work. SDO's active in the IVHS standards program include the Society of Automotive Engineers, the Institute of Electrical and Electronics Engineers, the American Society for Testing and Materials, the National Electrical Manufacturers Association, the American Association of State Highway Transportation Officials, the Telecommunications Industry Association, the Institute of Transportation Engineers, and the American National Standards Institute.

Current priorities include standards for automatic vehicle identification, map databases, systems interfaces, human factors, and communication protocols. The system architecture development program will also generate the need for many new standards. Information gathered from the domestic architecture and standards programs will be integrated into the International Standards Organization efforts.

#### RESOURCES AND STRATEGIES BEING DEVOTED TO DEVELOPING AND IMPLEMENTING IVHS TECHNOLOGY

##### *Advanced Public Transportation Systems (APTS)*

Advanced Public Transportation Systems (APTS) use advanced electronic technologies in the operation of high occupancy, shared-ride vehicles, including conventional buses, rail vehicles, and the entire range of para-transit vehicles. The IVHS technologies of communications, navigation, and advanced information systems are being developed for Advanced Traffic Management Systems (ATMS) and Advanced Traveler Information Systems (ATIS). They hold immense potential for improving mass transportation services and will be used to inform travelers of the alternative schedules and costs that are available for any given trip, including the most advantageous routing.

APTS can also automatically handle trip fees. APTS will keep the traveler informed, in real time, of any system changes that occur and will respond to changes in the traveler's plans. APTS technologies will help vehicle system administrators manage a safe and efficient fleet. It would also plan services to meet a broad range of consumer needs and will allow the community to manage its roadways with special accommodations for high occupancy vehicles. They will, in essence, enable transit authorities to provide a more flexible, cost effective, user-friendly service to their customers. Some specific APTS features include the following:

- Mass transit and ride-sharing information that is thorough, accurate, up-to-date, readily accessible, easily understood, convenient, and tailored to users' needs.
- Ride-matching information that allows the flexibility to change arrangements on short notice, even during travel.
- Mass transit and ride-share services that eliminate the inconveniences of exact change cash requirements and complex reservation and payment methods.
- Traffic control measures that provide preferential treatment, such as traffic signal timing and separate lanes, for high occupancy vehicles (HOV's), thus reducing delays for mass transit and shared-ride vehicles operating in congested areas.

There are many advanced technologies already in use in APTS applications. Many more are either available or are undergoing near-term development. An important component of the program is identification of the technologies and determination of their capabilities. To increase the knowledge base assessments of the technologies must occur. Currently, technology assessment is proceeding in three areas: vehicle location, communications, and smart cards. For vehicle location, operational tests and assessments will be performed on promising technologies, for example the application of Global Positioning Systems to transit operations. Communications systems, which are crucial for the operation of APTS, include options for voice and data communications such as cellular radio, optical and ultrasonic methods and other technologies.



Smart cards are plastic cards the size of a credit card that contains a microchip with a programmable memory. In a mass transit application, the microchip would contain information on the ownership of the card and the monetary value or account to be debited. The smart card is already in use in some European cities.

#### *APTS Implementation Strategies*

The goal of APTS is to make transit systems "user friendly" to travelers to increase their ridership. The technology will have to be implemented on three levels:

*In a manner internal to the transit agency by applying computer technology to transit systems.* One example, the user service, "public transportation management," automates the operations, planning and management functions of public transit systems. It supplies real-time computer analysis of vehicles and facilities to improve transit operations and maintenance. The analysis identifies deviations from the schedule and offers potential solutions to dispatchers and drivers. This service will help maintain transportation schedules and assure transfer connections from vehicle to vehicle and between modes and can be coupled with traffic control services to facilitate quick response to service delays. Information regarding passenger loading, vehicle running times, accumulated miles and hours and vehicle maintenance will help improve service and provide managers with a wealth of information on which to base decisions. Service schedulers will have timely data to use in adjusting trips. Personnel management will be enhanced with the automatic recording and verifying of performed driving and maintenance tasks.

*In a manner external to the transit agency by focusing on the consumer.* This entails the use of "traveler information" which provides information to travelers regarding public transportation. Real-time, accurate transit service information will be available, at home, at transit stations and bus stops, and on board the vehicle to assist travelers in making informed decisions. The goal of this information is to influence mode choice before travelers leave their homes or before a travel decision is made.

Personalized public transit service offers flexibly routed transit vehicles which offer more convenient, and often more cost effective, service to customers where traditional, fixed route operation cannot be economically justified. Small public or privately operated vehicles provide on-demand routing to pick up passengers who have requested service and deliver them to their destinations.

*In a manner promoting intermodalism.* Ways would be determined to connect transit systems with other modes of transportation. Travelers would be able to use smart cards for payment on a variety of transportation modes, from transit fares to parking tolls.

A host of operational tests are being conducted on APTS around the country. As experience is gained, we expect that a database of user requirements will be developed. This data will be used in the development of formal specifications for equipment. The specifications will focus on function and performance rather than how to design it—allowing room for innovation on the part of manufacturers.

Two examples of operational tests, the Smart Traveler project in Seattle, Washington, and the Smart Bus in Ann Arbor, Michigan, show how APTS features will benefit transit.

*Smart Traveler.* The Bellevue Smart Traveler project in metropolitan Seattle, Washington, examines ways in which mobile communications, such as cellular phones, and information kiosks can be used to make ridesharing (carpooling and vanpooling) more attractive. A Traveler Information System is also being evaluated. A set of information-based services for ridematching was developed in Phase I of the project in cooperation with the mobile telecommunications industry in an effort to increase the use of high occupancy vehicle (HOV) facilities.

*Smart Bus.* The Ann Arbor Smart Bus operational test project entailed studying an on-board bus communication and navigation system, a central control system, and a "Smart Card" fare collection system. The on-board system monitors actual performance in regard to route, location, speed and status of mechanical systems. It will allow control of on-board electronics, such as the fare collection system.

The on-board system will also enable buses to communicate with the central control system which will integrate the data from the bus fleet for coordinated super-

vision, and will also provide real-time transit information to the public. The "Smart Card" fare system will provide a dual farecard/parking pass to encourage auto drivers to ride transit by providing them an easy cost-saving method for fare payment.

#### *IVHS Funding Must Be Targeted To Transit*

To move toward deployment of projects like the Smart Traveler and the Smart Bus, more IVHS funding will have to be dedicated to public transit. In addition, transit operators will need to be kept informed of and educated about the benefits of IVHS.

IVHS AMERICA is working to provide outreach and education to State and local transit officials. We are working to build diverse coalitions to discuss the capabilities of these technologies, identify user requirements and set operational standards. Last year, for the first time, our APTS Committee engaged in a public-private endeavor which created a standard to share common information between the electronics on a vehicle.

#### *How APTS Can Help Attain Air Quality Goals*

One of the goals of the APTS program is to comply with the new air quality requirements. It is predicted that the features of APTS will reduce congestion, and therefore, produce environmental benefits.

For example, ridesharing will provide an attractive alternative to single occupant automobile travel. It will provide enhanced alternatives for special population groups, such as the elderly or the handicapped. It has been estimated that the diversion of just one out of every five solo drivers would save the U.S. \$30 billion in congestion each year.

The U.S. DOT is conducting data collection and analysis to investigate and model the emissions profile of vehicles in actual traffic operation. However, the National IVHS Program Plan recommends additional research on the relationship of travel and emissions.

#### *Efforts to Provide for the Special Needs of Metropolitan Areas to Deploy and Maintain Advanced Traffic Management Systems*

Advanced Traffic Management Systems (ATMS) employ innovative technologies and integrate new and existing traffic management and control systems to be responsive to dynamic traffic conditions while servicing all modes of transportation. Key features of ATMS are subsystem integration and real-time control adjustments that account for traffic fluctuations.

The IVHS AMERICA Advanced Traffic Management Systems (ATMS) Committee has been studying many aspects of the program including funding, deployment, meeting the special needs of metropolitan areas, encouraging the participation of State and local governments.

A subset of that committee, the Travel Demand Management Task Force, is charged with coordinating the identification of travel demand and telecommuting technologies and programs within all the committees of IVHS AMERICA and ongoing programs sponsored by the FHWA and the Federal Transit Administration.

#### *Funding Sources for ATMS*

A variety of funding sources available for ATMS are described in the Intermodal Surface Transportation and Efficiency Act (ISTEA). The specific sections of the Act are detailed in Appendix I of this testimony. However, deployment of ATMS will require more funding.

Private revenue sources may involve joint ventures or partnerships between private corporations and public agencies in the development and deployment of IVHS technologies. There may also be private (or quasi-public) transportation authorities that can benefit from ATMS and contribute to implementation and operation costs. Other private-sector revenue sources might involve fees charged to various organizations for real-time information.

Operating agencies may engage in cooperative ventures with private industry or by seeking out user fees. Marketing efforts will also play an important role in the implementation and continued operations of ATMS. Educating the public on oper-

ations and potential system benefits should result in improved compliance and support for continued public funding for ATMS.

#### *Need For Area-Wide Coalitions*

Imperative to the ATMS program, nearly more so than funding, is the building of area-wide coalitions. It requires sharing responsibility across jurisdictional lines within a metropolitan area. The program also demands a commitment to continue the cooperative and efficient operation of many different highway and transportation systems.

Planning and preliminary design studies in metropolitan areas and urban corridors already underway nationwide are key to implementation. Long-term plans should include a methodology to upgrade, improve, and/or update existing and proposed IVHS infrastructure.

#### *Plans to Coordinate the Deployment of IVHS Technology and Services for Electronic Toll Collection*

The Electronic Toll and Traffic Management (ETTM) industry is characterized by several different technologies, each proprietary and not interoperable with the others. Some regional initiatives have emerged to provide interoperability among multiple agencies or jurisdictions that share overlapping customer markets. However, these new technologies have been deployed so far on a fairly limited geographic basis.

Thus, IVHS AMERICA coordinated a broad group of users to collectively define performance-oriented technical requirements to encourage and support the development of—next generation technologies by the manufacturing community to provide for future national interoperability.

In January 1994, a Special Group of the IVHS AMERICA Committee on Standards and Protocols released a document titled, *Electronic Toll and Traffic Management (ETTM) User Requirements for Future National Interoperability (Draft Version 1.0)*. In April 1994, Draft Version 2.0 was released. To date, the document has been released for comment to the ETTM industry-at-large—State DOT's, toll agencies, vendors, and other interested parties. Appropriate commentary has been, and will continue to be, incorporated into it.

In its final form, the ETTM user requirements document will be delivered to one or more standards developing organizations. This phased-approach process should ultimately produce standards to which future ETTM systems can be procured by the user community and which will help to ensure future ETTM interoperability and ultimately deployment.

#### *Commercial Vehicle Operations*

Commercial Vehicle Operations (CVO) apply various IVHS technologies to improve the safety and efficiency of commercial vehicle and fleet operations. CVO includes trucks, delivery vans, buses, and emergency vehicles. CVO systems increase safety, expedite deliveries, improve operational efficiency, improve incident response, and decrease operational costs.

Implementation of the CVO program is essential because the cost of regulation is substantial to both government and the trucking industry. States spend \$5 billion annually to license vehicles, collect fuel taxes, and issue permits. Carriers spend another \$2 billion annually for the paperwork associated with those tasks.

States spend more than \$100 million annually for truck weight enforcement alone. The interstate motor carrier industry spends millions of hours annually waiting for weight and safety inspections, toll collection, and port-of-entry checks.

A key CVO goal is the creation of "transparent" or unimpeded commercial traffic, State and international borders. That will, in part, be achieved by automating the collection of information regarding weight, credentials and taxes required by government agencies. Benefits are further enhanced as the information is shared by several States. By expanding the information collected, carriers will also gain access to information essential for managing their fleets.

### *Considerations For CVO*

In advancing CVO, several considerations should be made. Stakeholders, including major motor-carrier fleets, must be active in the development of these IVHS technologies, including testing, operations and product development. This would ensure that the technologies are useable and that they upgrade the current operational mechanisms. Institutional issues regarding interagency coordination, public/private cooperation, and safeguarding of privacy and proprietary data must be addressed.

### *Funding Needs for CVO*

Funding must be set aside for States to modernize their CVO information processing systems. This will help achieve interoperability. IVHS AMERICA is taking the lead to develop standards to achieve a nationwide interoperability system for electronic clearance and the handling of the administrative data associated with crossing boundaries.

### *CVO Systems Currently Being Tested*

There are numerous CVO operational tests. For purposes of illustration, we will discuss the HELP project. HELP (Heavy Vehicle Electronic License Plate Program) is a multistate, multi-national research effort to design and test an integrated heavy vehicle monitoring system that uses Automatic Vehicle Identification (AVI), Automatic Vehicle Classification (AVC), and Weigh-In-Motion (WIM) technology. The test phase of HELP is known as the Crescent Project.

The Crescent Project includes approximately 40 equipped sites ranging from British Columbia southward along I-5 to California and then eastward along I-10 to Texas, branching into I-20. Data gathered from the WIM, AVI and AVC is processed by a central computer, and then used by the State governments for credential checking, weight enforcement, and planning information and by the motor carrier industry for fleet management purposes.

HELP's ultimate goal is to have a system in which a legal truck can drive through the entire network without having to stop at weigh stations or ports-of-entry. AVI, WIM and AVC equipment has been installed at sites in Washington, Oregon, California, Texas, New Mexico and Arizona as part of Phase "IB" and Phase II efforts. Approximately 2,000 trucks were equipped with transponders during the test period.

The performance of the integrated system and the benefits to the State agencies and the motor carriers were evaluated. Evaluation reports are currently being finalized. Operation of the Crescent System and other technical activities of HELP have been turned over to a new private organization known as HELP, Inc.

### *How the United States IVHS Program Compares with Other Nations in Deployment*

In response to questions asked by a member of the House Appropriations Subcommittee on Transportation, IVHS AMERICA commissioned a team of international engineers and transportation experts familiar with IVHS to conduct a comparative study on IVHS in Japan, Europe and the United States. Titled, "A Comparison of IVHS Progress in the United States, Japan and Europe Through 1993," the study found that all three have made great progress in IVHS development, although the focus varies from region to region:

- In Japan, the main focus has been on deployment of advanced traffic management systems and the development and marketing of automobile navigation systems as a platform for in-vehicle information.
- The European focus has been on exploration and evaluation of numerous alternatives for a wide variety of IVHS services with the view that a common architecture would evolve in due course.
- The United States has focused on planning, organization, evaluation, and a topdown systems engineering approach to developing a national IVHS architecture while simultaneously carrying out research and field trials.

Europe and Japan initiated IVHS-type research projects in the early 1970s and continued to build on them steadily. Waning government support in the United States at that time and through the 1970s and 1980s left the United States IVHS

pursuits dormant. Significant government policy and funding support in the early 1990s allowed the U.S. IVHS program to expand rapidly, both organizationally and in research and development.

Over the past 20 years, Japan has consistently invested in their IVHS infrastructure, especially in the areas of traffic management and information systems. In 1981, Japanese automobile manufacturers introduced the first automobile navigation systems available as factory options. In the late 1980s, their research concentrated on intelligent driving systems and automatic vehicle control for 20 to 30 years in the future. In the early 1990s, they developed a new type of infrared vehicle detector that also serves as a high-bandwidth two-way communications beacon for supplying traffic information to and receiving link travel times from equipped vehicles.

In sum, the United States leads by several important measures (e.g. overall organization and top-down planning, current investment in R&D and operational tests, and in deployment of certain applications such as electronic toll collection, commercial vehicle operations, etc.) while Europe and Japan remain ahead in other areas (e.g., Europe, arguably, in broadbased R&D and Japan in ATMS and ATIS deployment.)

### *Funding Levels*

The comparative study stated that although government funding plays a critical role in each region, there are other factors that strongly influence differences in IVHS progress. The clarity and consistency of policy support and the effectiveness of organizational arrangements are the most important factors, reported the study. Funding levels for IVHS are often difficult to identify. In a very general sense, perhaps \$1.5 billion per year is currently being invested worldwide in IVHS, the study reported.

*The European Community.* In Europe, the central source of public sector funding for IVHS is the Commission of the European Communities, which manages and finances DRIVE as part of its broader Framework Program. The EC provided a total of 200 million European Currency Units (ECU) (about \$230 million) for the original DRIVE program (1988-1991) and for DRIVE 11 (1991-1994), reported the comparative study. Private industry is the main source of funding for IVHS research carried out under PROMETHEUS (PROgramME for a European Traffic system with High-efficiency and Unprecedented Safety).

*Japan.* In Japan, after spending an equivalent of \$180 million for underlying research during the 1970s, the government's principal funding for IVHS has been for infrastructure deployment. Japanese industry has been motivated to largely pay its own way in developing IVHS products.

*United States.* Funding for IVHS research went from very little in Fiscal Year 1989 to about \$214 million in Fiscal Year 1994. ISTEA, which mandated the IVHS program, authorized \$659 million over a 6-year period for IVHS. The Clinton Administration's Fiscal Year 1995 budget proposed \$289.31 million for IVHS, a 35 percent increase from the Fiscal Year 1994 level. In mid-June, the U.S. House of Representatives passed the Department of Transportation and Related Agencies Appropriations Bill which provided \$119.8 million for the Federal Highway Administration's IVHS contracts, research and technology programs. The bill is being reviewed by the U.S. Senate.

In the United States, although most of the Federal funds are primarily for research and operational testing, approximately \$7 million is granted annually under an Early Deployment Program to State and local governments and Metropolitan Planning Organizations to assist with feasibility studies and development of multi-year deployment plans for IVHS services. Such grants, which must be matched by at least 20 percent funding from nonfederal sources, were made to 36 metropolitan areas through Fiscal Year 1993, reported the comparative study.

However, in general IVHS funds are dedicated to research and testing and not deployment. More funding must be directed specifically for deployment if the United States is to remain competitive in the international IVHS marketplace.

*First Annual World Congress*

IVHS AMERICA believes in building relationships with the international IVHS community. In the long run, this will provide export markets for American manufacturers and facilitate technical information exchange. This fall, IVHS AMERICA, in cooperation with Europe, Canada, Japan and Australia, is organizing the first annual World Congress on Intelligent Transport Systems (ITS) in Paris, France.

Over 3,000 attendees are expected. We have invited Vice President Al Gore to lead the U.S. delegation that will consist of Transportation Secretary Federico Peña and other transportation officials. In the future, ITS World Congress meetings will be held in Yokohama, Japan in 1995 and in Orlando, Florida in 1996.

*Whether the Conversion of Defense-Related Technologies to Civilian Use Contributes to the Development of IVHS Technology and How the Process is Being Facilitated*

The international comparative study on IVHS emphasized that the United States should evaluate the prospects for transferring defense-related technological capabilities to IVHS development and deployment. Some such activities are occurring as part of the Technology Reinvestment Project (TRP) under the auspices of the U.S. Department of Defense (DOD). There are a number of dual use technologies that could be applied to IVHS. IVHS AMERICA is currently evaluating how it can be effective in defense conversion efforts and the activities of the TRP.

The interest in defense conversion is growing. Of the more than 120 exhibitors at IVHS AMERICA's fourth annual meeting in Atlanta, Georgia, in April 1994, over half were defense and aerospace firms interested in applying their technology to the surface transportation system. For the first time, the exhibitors displayed IVHS products ready for market, not just interesting ideas.

*Constraints to the Research, Development and Deployment of IVHS technologies and How These Constraints Are Being Addressed.*

The Strategic Plan For IVHS in the United States identified many of the non-technical issues that pose challenges to the development and deployment of IVHS technologies. IVHS AMERICA has formed committees to address institutional, legal and environmental issues. The following is a brief discussion of the constraints identified with legal, and environmental issues and our activities.

*Institutional Issues.* There is a need for new relationships among institutions. Agreement on roles and responsibilities of the participants is the first step in overcoming this challenge. Many institutions will have to adapt to meet the challenges presented by IVHS. The success of IVHS will require new public-private relationships and areas of activity. Government and industry will have to find a means of cooperating. Government practices, which often make joint efforts difficult, may have to be reexamined in light of IVHS. IVHS AMERICA encourages the parties to participate in committee meetings which address these issues.

*Legal Issues.* Key legal issues include product liability, antitrust, privacy, procurement and intellectual property. The Legal Issues Committee examines the current state of the law in these areas and provides analysis on how they are likely to affect IVHS. It also explores potential solutions to the legal obstacles that are likely to arise.

Currently, work is being undertaken to increase the knowledge of potential partners in IVHS projects in the vital areas of intellectual property and cooperative agreement statutes. Workshops are held and panels of experts are assembled to make these issues clearer and less of a perceived burden. In the area of privacy, a set of privacy principles intended to govern IVHS has been drafted. These principles are undergoing modifications and are being shared with several interested parties to ensure that various perspectives are taken into account. After initial analyses of liability which explored how IVHS might present unique liability relationships, a task group has now been created to work specifically on recommendations for the IVHS industry.

*Environmental Issues.* IVHS AMERICA Energy and Environment Technical Committee brings together a diverse group to discuss environmental issues and IVHS.

On June 6, 1994, IVHS AMERICA joined the U.S. DOT, George Mason University, the University of Minnesota, the Environmental Defense Fund, the Surface Transportation Policy Project, the California Department of Transportation and the U.S. Environmental Protection Agency in sponsoring "The National Policy Conference on Intelligent Transportation Systems and the Environment."

In addition, we have included a substantially expanded section on IVHS and the environment in the National IVHS Program Plan. That section provides specific goals and objectives for reducing the energy and environmental impact of surface transportation by aiming to:

- Reduce harmful emissions per unit of travel;
- Reduce energy consumption per unit of travel;
- Reduce new right-of-way requirements and community disruption;
- Reduce fuel wasted; and
- Enhance efforts to attain air quality goals.

To achieve these goals, two basic courses of action will be necessary. First, IVHS technologies should be used to improve the environment by including them in the engineering of transportation systems. Second, when transportation system changes are made which do incorporate IVHS technologies, the impact of these changes on air quality needs to be ascertained.

Much work remains to be done in demonstrating the benefits of IVHS technologies to air quality. At present, there is only minimal cooperation between officials who plan and operate IVHS systems and those who monitor their environmental impact. The real challenges in improving air quality through IVHS technology are: how to allocate transit and use of personal transportation to their most appropriate roles; and how to get the largest producers of carbon monoxide and hydrocarbons off the road.

Federal interest in IVHS must be considered in conjunction with the Clean Air Act Amendments of 1990, which set rigorous objectives for improving the quality of air in areas which do not meet Federal air quality standards for ozone and carbon monoxide. In severe and extreme non-attainment areas, employers of 100 or more persons have until 1996 to implement Trip Reduction Plans, which are designed to reduce the number of employees who commute to and from work as solo drivers. The purpose of these programs is to promote mass transit, ridesharing, and even bicycling and walking for the work commute as a means of reducing motor vehicle emissions.

IVHS has the potential to reduce energy consumption and improve air quality through facilitating traffic flow and reducing the vehicle miles traveled by automobiles through traffic management, navigational aids, support to transit and paratransit and encouragement of their use, and high occupancy vehicle (HOV) lanes. IVHS also offers the capability for controlling additional demand that might reduce environmental and energy efficiency gains.

#### *IVHS Funding Needs and Resources*

Over the next 20 years, IVHS will become a \$209 billion industry. The private sector, coupled with consumer investment, will support some 80 percent of the program. The remaining 20 percent will come from government at all levels. But to reach that point, we need to continue receiving Federal funding for infrastructure deployment and to convince the private sector and State and local governments that the Federal government is serious about deploying IVHS.

Private sector funding will be oriented toward products and services that respond to marketplace directions. The consumer will pay the largest portion of the cost for IVHS, primarily through the purchase of vehicles, equipment, and services. Consumer acceptance and the resulting private markets will be highly influenced, however, by public investments and policies regarding infrastructure facilities and related services.

Most importantly, investment in IVHS will save money in the long term. Traffic congestion costs our economy more than \$100 billion a year in lost productivity. Traffic accidents, more than half of which are caused by congestion, cost us another \$70 billion annually. Traffic congestion also has an enormous effect on the environ-

ment. Job creation will be enhanced through market and infrastructure development.

### *Challenges For Deployment*

We are faced with the following challenges for deployment of intelligent transportation systems in the United States:

- *Enhance Deployment Funding.* Deployment funding for IVHS must be increased. The \$659 million authorized over a 6-year period in ISTEA applies mainly to research and development and operational testing. This alone will not lead to deployment of a national IVHS program. IVHS funding must be applied toward achieving a unified transportation system and for public transit.

- *Develop Uniform National Standards.* We must develop uniform national standards and protocols. A well-administered standards and protocols program will ensure compatibility and interoperability among IVHS systems and services.

- *Increase Support and Involvement of Local Officials in IVHS.* We need to increase the involvement of local government officials in the IVHS program. However, their participation is limited due to a shortage of their funding resources. There is a fear and a perception among local officials that IVHS is yet another system being pushed on them without funding. We are now developing electronic bulletin board forums to improve communications. There is much more to be done, especially with providing ways for local governments to participate in the many IVHS planning activities.

Mr. Chairman, this concludes my testimony. Again, Mr. Chairman, thank you and the Members of the subcommittee for this opportunity to testify today.

#### APPENDIX I

Funding Sources for Advanced Traffic Management Systems (ATMS) as listed in the Intermodal Surface Transportation Efficiency Act (ISTEA). This information is listed in Guide lines for A TMS, prepared by the IVHS AMERICA Advanced Traffic Management Systems Committee, May 1992.

In Section 6055, DOT shall assist State and local officials in developing plans for area-wide traffic management control centers and may make grants for feasibility and planning studies for deployment and implementation of IVHS.

ISTEA also provides that any interagency traffic and incident management entity, including independent public authorities contracted by a State or implementation of a traffic management system for a designated corridor, may be eligible to receive Federal assistance for development of an IVHS program.

In addition, section 6056 of ISTEA provides that after allocation to the corridors, the balance of IVHS funds shall be allocated to State and local entities for application of IVHS "in corridors and areas where the application of such systems and associated technologies will make a potential contribution to the implementation of the Secretary's plan for IVHS."

Funding under section 6058 provides an authorization of \$27 million per Fiscal Years 1993 through 1997 for other IVHS activities (other than 6056). However, the Federal share shall not exceed 80 percent on any IVHS projects except those that are determined to be "innovative, high-risk operational or analytical tests that do not attract substantial non-Federal commitments, but are determined by DOT as having significant potential to help accomplish long-term goals."

Three other funding sources are identified in ISTEA, namely the National Highway System, the Surface Transportation Program, and the Congestion Mitigation and Air Quality Improvement Program. In addition, it is believed that traditional revenue sources, such as levies, special bonding initiatives, or local gasoline or sales taxes will likely be used.

#### APPENDIX II

The following is a list of projects that IVHS AMERICA has completed for DOT or is working on:



- The Strategic Plan for IVHS in the United States—submitted it to the U.S. DOT in May 1992. This document serves as a guide for the nationwide deployment of IVHS.
- Federal Program Recommendations for Fiscal Years 1994 and 1995 to U.S. DOT in October 1992.
- The National IVHS Pm grain Plan. Now in its second draft, this document will establish a program for near-term IVHS development and deployment. The process will be completed in December 1994.
- IVHS System Architecture program—recommended development methodology to the U.S. DOT. Continue to work jointly with them.
- Established and maintains 20 technical committees involving more than 1,000 IVHS leaders from around the world. Volunteers have donated over 15,000 hours of expertise to advise DOT on IVHS.

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STATEMENT OF VICTOR P. MESKILL, PRESIDENT, DOWLING COLLEGE, OAKDALE, LONG ISLAND, NY

Mr. Chairman, Senator Chafee, and Members of the Committee, it is indeed an honor and a privilege to present testimony on this important piece of National Highway legislation, and to make our case for inclusion in the National Highway System Designation Act (S. 1887) for the authorization of appropriations for The National Aviation and Transportation (NAT) Center in Long Island, New York.

Let me say at the outset, Mr. Chairman, that I join the Secretary of Transportation Federico Peña, in applauding this Committee for the critical role that it played in formulating the historic Intermodal Surface Transportation Efficiency Act or "ISTEA", and helping to shepherd it through the Senate. I have had the opportunity to read Secretary Peña's testimony for this hearing and I will not repeat many of the accolades and benefits attributable to this critical intermodal transportation act. However, perhaps for the first time in our history, ISTEA allowed the Congress, the Executive Branch, and the private sector to focus attention on our national transportation requirements in a comprehensive, intermodal framework that encompassed highways, aviation, mass transit, and new technologies that make these and other modes of transportation operate more efficiently and create new job opportunities in the transportation sector of our economy.

And, Mr. Chairman, ISTEA was in large part a catalyst for the establishment of The National Aviation and Transportation Center at Dowling College in New York on Long Island. My testimony today will focus on this important intermodal transportation entity in New York and why it should be authorized for continuation funding as part of the National Highway bill that is pending before your Committee.

Mr. Chairman, attached to this statement is background material about our National Aviation and Transportation Center. I would ask that an eight-page overview document and three charts be included in the hearing record in conjunction with my testimony. I will address a few key points which correlate The NAT Center's mission to the National Highway System Designation bill's objectives with this important national transportation resource.

Mr. Chairman, the focus of my testimony today will be two-fold. First, (1) why authorization of continuation funding for The National Aviation and Transportation Center should be appropriately included in the National Highway bill before you; and (2) the resource requirements that will allow this innovative Center to operate and leverage substantial outside non-federal contributions for its programs, projects and activities.

First, why should the National Aviation and Transportation Center be a part of this important highway legislation?

Dowling College, in developing The National Aviation and Transportation Center, is building on a 26-year record of exemplary aeronautics education. The focus of this Center is on intermodal transportation and one that is truly national in scope. The commitment of The NAT Center, is to educational excellence encompassing all transportation modes and multiple facets of transportation, transportation policy, education and economic development. Specifically, through college-industry partnerships, and other collaborations, The NAT Center has been able to focus its research

efforts on the analysis of transportation systems, transportation safety, engineering, operations, and related activities affecting surface transportation, public transit and other elements of an overall National Highway System. For example, through its Center for Advanced Technology, The National Aviation and Transportation Center has already achieved significant breakthroughs in the following relevant components of highway safety and efficiency:

(1) A Continuous Flow Intersection (CFI) with Infrared (I/R) monitoring system that utilizes dual use technology from the Department of Defense to enhance traffic modeling, highway design, and increased highway capacity at reduced cost to taxpayers;

(2) The development of a PC-based model to evaluate the CFI's change in the drive cycle of vehicular emissions and correlated improvements in air quality and fuel economy; and

(3) A transportation management demonstration project in New York that will help to reduce traffic and improve the current commuting crisis that plagues Long Island and other metropolitan areas.

The NAT Center is also a pioneer in the utilization of transportation simulation technology to pave the way for U.S. students and transportation workers to develop the skills and capabilities to design and operate a seamless transportation network for the 21st Century. A Transportation Simulation Sciences Center will be a major component of the second phase of the master plan for The National Aviation and Transportation Center.

Fourth, Mr. Chairman, Secretary of Transportation Federico Peña, in his statement before the Committee, said, among other things:

We must begin developing a National Transportation System. . . . We want to be in a position to propose an NTS for consideration by Congress and our plan is to have a proposal for submission to Congress by the Fall of 1995.

The Secretary, in his statement on National Transportation policy last year, set an agenda that called for maintenance and expansion of a competitive transportation system to support public safety, national security, and the quality of our environment."

The National Aviation and Transportation Center will provide the Secretary of Transportation and the Nation with the expertise, technology and human capital in the form of its graduates, to achieve both of these important objectives. We are indeed fortunate to have one of the recognized international intermodal transportation experts, Dr. Clifford R. Bragdon, serving as the Dean of the School of Aviation and Transportation and the Center's Director of Advanced Technology. Dr. Bragdon brings to The NAT Center and to the Nation over two decades of experience in the area of transportation and environmental planning, and was recently appointed to the National Academy of Science, Transportation Research Board Committees on transportation education and land use planning. He is truly a national asset and we are fortunate to have his expertise to guide the evolution of The NAT Center. His presence at The NAT Center gives further impetus to the unparalleled benefits that The National Aviation Transportation Center can bring to the development of a National Transportation System, including the national highway component that is the subject of S. 1887.

Finally, with regard to the resource requirements of The NAT Center, we are pleased to note that the Federal authorization of appropriations for The NAT Center will leverage a total of \$40.7 million in non-Federal contributions to the overall Center master plan. To date, appropriations totaling \$7.5 million have been approved by Congress for The National Aviation and Transportation Center, with an additional \$2.5 million recommended by the Senate Appropriations Committee in the Fiscal Year 1995 Transportation and Related Agencies Appropriations bill (H.R. 4556). Total funding of approximately \$60 million will be required to complete the principal phase of development of The NAT Center, of which an additional \$ 11.2 million will need to be authorized in this legislation.

Again, Secretary Peña testified before this Committee that in addition to rising Federal investment in transportation programs, the Administration is seeking ways to involve the private sector in innovative financing. Dowling College and its Na-

tional Aviation and Transportation Center are already doing this, through its industry partnership program with Northrop/Grumman Corporation and other private sector partners; through non-federal financing with State and local governmental entities; and through Dowling's own financial resources. In short, how we have proposed to finance The NAT Center's construction and program development should serve as the prototype for how we should put together 'centers of excellence' to solve our surface and other transportation problems. We hope that your Committee will concur that we are on the right track and warrant the authorization of continuation appropriations in the National Highway System Designation Act.

Let me close by pointing to one final and perhaps most important reason why The National Aviation and Transportation Center should be authorized in this bill. In addition to the physical infrastructure improvements that will be required to maintain our National Highway System and other transportation networks, we will have to develop the 'human infrastructure' to manage and operate the technologically advanced highway systems and transportation modalities of the 21st Century. It is estimated that as many as 700,000 new jobs and careers will be available in the transportation field by the year 2005. Dowling College and The NAT Center have already taken a national leadership role in establishing intermodal transportation educational program offerings to students throughout the Nation. Furthermore, if we are to truly reap the projected benefits of the North American Free Trade Agreement; the General Agreement on Tariffs and Trade; and the proposed international trade accords with Latin American countries, we must have not only the transportation infrastructure in place to respond to such opportunities, but the intermodal transportation specialists and planners to allow the United States to prosper under such trade accords. The National Aviation and Transportation Center is taking a dramatic step in helping our President, our Secretary of Transportation and our workforce to achieve those vital objectives.

Mr. Chairman, we are seeking authorization of no less than \$11,200,000 over the next 2 Fiscal Years to allow The National Aviation and Transportation Center to move forward with completion of the first critical phase of its master plan. Our project enjoys strong bipartisan support from Members of the New York Congressional Delegation, particularly its two distinguished Senators, Senator Daniel Patrick Moynihan and Senator Alfonse D'Amato and our Congressman in the House of Representatives, Rep. George J. Hochbrueckner. We hope that your Committee will concur with our request for continuation funding for The National Aviation and Transportation Center.

Thank you for your thoughtful consideration of this request and for this opportunity to offer testimony before the Committee.

NOTE: Attachments to this statement have been retained in committee files.

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#### STATEMENT OF THE NATIONAL ASPHALT PAVEMENT ASSOCIATION

NAPA is the national trade association exclusively representing the Hot Mix Asphalt (HMA) Industry. We have a membership of nearly 800 corporations, most of which are HMA producers and paving contractors. The majority of our members are small businesses, and our member firms produce approximately 70 to 75 percent of the total HMA produced in the United States annually. We commend the Committee for holding these hearings and appreciate the opportunity to present our views on the National Highway System (NHS) and Section 1038 of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

The two top legislative priorities for NAPA are Congressional approval of the NHS during this session of Congress and amending Section 1038 of ISTEA, "Use of Recycled Paving Material," to remove the mandatory minimum utilization requirements for crumb rubber modified asphalt.

#### THE NATIONAL HIGHWAY SYSTEM

There is an abundance of compelling testimony by the Federal government (U.S. DOT and FHWA), the States and the private sector, documenting the essentiality of an NHS to the economy of this country. We can add little to the facts and figures

presented, and we urge timely approval of the NHS by Congress. There are some strong proponents for a National Transportation System (NTS) in lieu of an NHS. An NTS would incorporate the most significant elements of the Nation's transportation systems from all modes involved in moving both people and freight, as well as facilities owned by both private business and the public sector.

The NHS, which carries 40 percent of car travel and 75 percent of truck traffic, would be—as it is now—the backbone of any total transportation system. Those of us who live and work in urban centers tend to forget that vast areas of our country are linked only by highways. And it is over these highways that freight, emergency vehicles, farmers, businessmen, school children, and tourists travel. An NTS may well be a second step for Congress to take, but such a step requires much more study. Approval of the NHS should in no way be involved with or delayed by any study or designation of an NTS. We endorse the concept of an NTS. Taken at face value it makes a lot of sense for the country. However, the NTS is an issue that can best be addressed when a total reauthorization bill is considered in 1996 or 1997.

As to funding, ISTEA currently permits NHS funds to be used for transit under certain conditions. Also, 50 percent of NHS funds can be transferred to the Surface Transportation Program (STP) at the State's discretion. Up to 100 percent can be transferred with the approval of the Secretary of Transportation. We would suggest that Congress reexamine these provisions in light of the importance of the NHS to the country. The STP is a completely flexible program where the States and local governments decide on mode, project priorities and type of projects. We strongly recommend that the NHS funds be limited to use on the NHS unless a State can clearly demonstrate that it has no further needs on that system, that all segments are built to minimum AASHTO standards, and that the surface conditions require no improvement.

In summation, approval of the NHS is essential to the economy of the Nation and the individual States. It will be the backbone of the U.S. transportation system into the 21st century. Failure to approve an NHS spells the end of a meaningful Federal-aid highway program. There will be no need to collect highway user revenues at the Federal level, as there will be no real national focus to our highway program. It will become no more than a revenue sharing program resulting in a balkanization of the transportation system and a disincentive to economic activity resulting in an overall degradation of economic conditions and quality of life.

#### SECTION 1038—"USE OF RECYCLED PAVING MATERIAL"

We have serious concerns about the implementation of Section 1038 of ISTEA which, among other things, mandates the use of crumb rubber in HMA pavements. Our main problem is Section 1038(d), the minimum utilization requirements. These are that 5 percent of the Federal-aid HMA tonnage in 1994, 10 percent in 1995, 15 percent in 1996, and 20 percent in 1997 and the years thereafter, contain crumb rubber modifier. A State's failure to comply results in the loss of highway funds. Our concerns are with the cost, engineering properties, recyclability and unknown health and environmental impacts related to the use of crumb rubber asphalt. Section 1038(d) is unprecedented in mandating the use of a specific product in the highway program with so little knowledge about the product itself or the consequences of its use. Let me briefly summarize some of the issues.

#### COSTS AND PERFORMANCE

Crumb rubber modified HMA costs more than conventional HMA. While there are claims that the cost of the product has come down, the latest information we have is from the AASHTO survey of September of 1993 which indicates that for projects bid and constructed in 1993, the cost of crumb rubber modified Hot Mix Asphalt was some 67 percent more than the cost of conventional HMA. A copy of the AASHTO survey results dated September 24, 1993, is attached as Exhibit A.

Substantially increased costs means that the amount of pavement that transportation officials can provide the traveling public will be reduced within a given budget.

There are claims that the product performs better than conventional HMA. While a few States are specifying the use of crumb rubber modified HMA for certain applications, there are no definitive studies which support this assertion under all traffic conditions and climates. In summary, performance of crumb rubber modified HMA has been mixed. There have been both successes and failures.

#### ENGINEERING PROPERTIES

There is limited knowledge in the States and the industry on pavement structural design, mix design and production, and construction methods of crumb rubber modified HMA. The mandated use of the product without such knowledge will result in premature failures and wasted dollars. This casts the HMA Industry and the entire highway program in a bad light. We can ill afford such setbacks in these times where highway improvements are sorely needed and the competition for the transportation dollar is extremely tough.

#### RECYCLABILITY

The HMA Industry has been a leader in recycling its product since the 1970s, before recycling became fashionable. According to figures published by FHWA, 73 million metric tons out of the 91 million tons of asphalt pavement removed each year are reused in other highway projects.

Whether the addition of rubber to HMA will have an adverse impact on its recyclability for engineering, health, or environmental reasons is unknown. We, several States (including California, a leading proponent of the product), and FHWA have raised questions on this issue. If, for some reason, crumb rubber modified HMA is not recyclable, mandating its extensive use would be disastrous to the Industry, the States, and society in general.

#### ENVIRONMENTAL IMPACTS

We don't know with any certainty if the addition of crumb rubber modifier to HMA will create additional air quality problems. A Virginia DOT report states that the crumb rubber mixes showed that the volatile organic compounds (VOCs) increased 126 percent, visible emissions were 231 percent higher, and polycyclic aromatic hydrocarbons (PAHs) 213 percent higher than conventional mixes. Based on the emission factors from this test, the report states that the implementation of Section 1038 in 1997 will result in 8 additional tons of VOCs being produced just in Virginia.

A May 12, 1994, letter from the Virginia DOT states:

"The data collected by VDOT during 1993 indicated an increase in Volatile Organic Compounds that will be a problem for this State in attempting to meet the Clean Air Act. This is something that the State and EPA will have to work out if we are to proceed with implementation."

An Ohio report based on 1993 tests, documents that the crumb rubber mix demonstrated a 232 percent increase of VOCs and a 300 percent increase of PAHs in comparison with the conventional mix.

The California Air Resources Board indicated in a January 14, 1994, letter to EPA that they have had cases of odor and opacity problems with the use of crumb rubber and have requested EPA's assistance. The same letter further states:

"Communications between my staff and those of other State air quality regulating agencies has indicated that potential for the odor and opacity problems exists nationwide".

#### HEALTH IMPACTS

There is a similar issue with asphalt fumes. For the past several years, representatives of the HMA Industry have been working with Federal officials on permissible exposure levels for asphalt fumes. We have conducted studies that show worker exposure to fumes from conventional HMA does not pose a significant problem. However, the addition of crumb rubber to the mix introduces the concern that there

could be adverse health impacts on the workers because of the composition of the tires and the higher temperatures required to produce the mix.

If there are adverse health effects, the liability falls on the industry. This can result in higher costs of insurance and workman's compensation, as well as for additional protective equipment for the workforce.

Congress, in passing the 1994 DOT Appropriations Act, placed a moratorium on any funding sanctions for failure to use crumb rubber from scrap tires in 5 percent of the Federal-aid HMA tonnage in 1994. Further, Congress directed that research be undertaken on the cost and performance, as well as the health and environmental impacts of using crumb rubber modifier in HMA.

FHWA is in the process of awarding a comprehensive research project to evaluate crumb rubber modifier technology as it relates to design, construction, recycling and pavement performance. Many of the issues raised in this statement should be resolved by this research. Results, however, will not be available for at least a couple of years.

In addition, over the past months, our Industry has been working with FHWA, the National Institute for Occupational Safety and Health (NIOSH), EPA, the States, and the affected labor organizations to develop and carry out a research program on the health and environmental impacts of crumb rubber modified HMA. This program will get underway this year and should provide definitive information on the potential health and environmental impacts of rubber modified HMA.

As support for our position, there is the recent Transportation Research Board publication: *Uses of Recycled Rubber Tires in Highways, A Synthesis of Highway Practice*. Nearly 500 references, information from State highway departments, and input from a panel of experts were used in developing the synthesis. The report cites the lack of information on recyclability, worker health and safety, and environmental impact. It finds that the cost effectiveness of crumb rubber modified HMA appears marginal. It concludes that the mixed success and the various failures in different applications of crumb rubber modified asphalt stem from the lack of existing tests for desirable binder properties, the lack of field quality control and quality assurance methods, and the need for improved mix design methods.

We believe the case has been solidly made for either repealing the minimum utilization requirements of Section 1038 or amending them to provide the States the flexibility on how to get rid of their scrap tires. We support AASHTO Policy Resolution PR-18-93, approved by the AASHTO Board of Directors on October 24, 1993, and revised April 11, 1994. A copy of this resolution is attached as Exhibit B. It recommends that Section 1038(d), the minimum utilization requirements, be repealed, or in the alternative, modified to permit flexibility.

We, NAPA, are not against the crumb rubber technology per se. What we do oppose is another unfunded mandate imposed on recipients of Federal-aid funds as well as the industry, with limited research or performance data to justify it. That perhaps is really the crux of the issue. Traditionally, the agency that owns the road is responsible for the mix design and the materials that go into the pavement. Crumb rubber is an asphalt modifier. An agency may specify one of numerous HMA modifiers which are on the market to impart certain characteristics to the finished product. When electing to use any such modifier, the agency and the contractor have a right to be reasonably assured that it will perform as intended and not have any adverse impacts. Such assurance is not yet available for crumb rubber.

The Strategic Highway Research Program has recently been completed and \$50 million was devoted to improving the performance of Hot Mix Asphalt pavements. Performance-based specifications were developed for the asphalt binder and are under development for the Hot Mix Asphalt mix. Should all this research be circumvented in order to accommodate this special purpose legislation? Absolutely not. Crumb rubber should take its place with other modifiers and compete in the marketplace and not be the subject of any special considerations.

We appreciate the opportunity to present this statement Mr. Chairman, and are available to answer any questions.

NOTE: Attachments to this statement have been retained in committee files.

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July 14, 1994

The Honorable Max Baucus  
Chairman  
Committee on Environment and Public Works  
Dirksen 458  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

It is with great regret that we are not able to participate in your hearing tomorrow on the National Highway System (NHS). We will be forwarding a Statement for the Record in the coming days but in the meantime, we do want to express our appreciation and support for your efforts to get an NHS passed into law this year.

The NHS is necessary for the surface transportation infrastructure needed to ensure national economic prosperity. It will lay the foundation for further development of an intermodal transportation system. It is vital that this important "backbone" be established as swiftly as possible so that we may proceed with the challenging task of meeting our nation's abundant infrastructure demands.

Again, we salute your fine work aimed at completing action on the NHS before Congress adjourns, and we stand ready to work with you to ensure that we meet that goal.

Sincerely,

Governor Terry E. Branstad  
Chairman  
Committee on Economic Development  
and Commerce

Governor Mike Sullivan  
Vice Chairman  
Committee on Economic Development  
and Commerce

Governor Bob Miller  
Lead Governor on Infrastructure

Governor Marc Racicot  
Lead Governor on Infrastructure

STATEMENT OF EDWARD M. EMMETT, PRESIDENT, NATIONAL INDUSTRIAL  
TRANSPORTATION LEAGUE

Mr. Chairman and Members of the Committee, I thank you for this opportunity. The National Industrial Transportation League is the Nation's oldest and largest organization representing shippers of all sizes and products and using all modes of transportation.

Since health care is a priority topic this year, an appropriate analogy might be to compare our Nation's transportation system to the human circulatory system. Everyone knows that the better the flow through our veins and arteries, the better our health. Likewise, the better the flow through the American transportation system, the stronger our economy. A vital portion of our transportation system is in the form of highways. It is imperative that the major highways be planned, constructed, and maintained so as to permit the most efficient flow. For that reason, The National Industrial Transportation League strongly supports a designated National Highway System.

During your deliberations, I urge you to keep four ideas in mind.

First, transportation systems only exist for the users. History is full of examples of transportation technology and infrastructure which failed to meet the needs of users.

Second, as a corollary to that point, we must never forget that transportation is a world of constant change. With every change, there will always be winners and losers. The Interstate Highway System terribly disadvantaged and even ruined many businesses and localities but, overall it has been a tremendous boon for the United States economy. It would have been unfortunate if narrow interests had prevailed to stop the Interstate Highways. You might well hear from such interests with regard to this National Highway System. I urge you to maintain the broader vision.

A major issue which will likely arise is the question of movement of freight versus commuters. All of us have experienced firsthand the frustration of travel woes, particularly in and around urban areas. And, those of us who have been in elected office know how vocal angry commuters can be. On behalf of the members of companies of the League who represent employers, I ask that you remember the economic impact of freight transportation. Without the ability to move raw materials and products in and out of their facilities, American businesses cannot operate to their maximum capacity. If they cannot do that, they cannot create the jobs for the commuters.

And, finally, it is important to realize that the National Highway System does not operate in a vacuum. It will be a key piece in an integrated transportation system. A blockage in any aspect of that integrated system can be damaging. Therefore, special attention should be given to the manner in which the NHS ties together with the railroads, ports, and other facilities. Intermodalism is the wave of the future, so I urge you to plan accordingly.

As you move forward in considering the National Highway System, The National Industrial Transportation League stands ready to assist by providing any information you deem necessary. We consider this a very high priority for the future of the United States economy.

Thank you for providing the opportunity to express our support of the concept of a National Highway System.





July 26, 1994

The Honorable Max Baucus  
Chairman  
Senate Environment & Public Works Committee  
456 Dirksen Senate Office Bldg.  
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the 72,000 working men and women and 550 member companies that make up the National Stone Association, we thank you for your leadership in introducing S. 1887, the National Highway System Designation Act of 1994 and holding hearings both here in Washington, DC and in Montana on this important issue. We respectfully request that this letter be made part of the record of your July 15, 1994 hearing.

As you move to mark-up on this bill, NSA strongly urges to take two actions:

- Pass S. 1887 this year. The Administration's 159,000 plus mile proposed National Highway System (NHS) has been developed in full cooperation with the states and with input from local government. Their support for the NHS is clearly demonstrated by the positions taken by leading public interest groups such as the League of Cities, the National Governors Association, and the American Association of State Highway and Transportation Officials. Early designation of the national highway system is also endorsed by broad coalitions of business groups who need and use our highways to create jobs and promote economic growth.

The NHS is the backbone and first step in developing a national transportation policy process. As documented during the formulation of ISTEA there is a clear need to begin restoring our national highway network after years of underinvestment and neglect. Needlessly delaying action on S. 1887 will cost lives and jobs resulting from unsafe conditions and inadequate roadways to compete in a global economy.

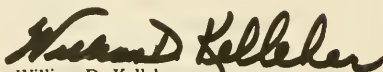
- Keep S. 1887 a clean bill. Legislation designating the NHS should not become the vehicle for solving problems that are best handled by other programs established under ISTEA or at the state, local or regional level. In passing ISTEA Congress established a truly comprehensive system for meeting our surface transportation needs. It recognized the role of transit, the need for intermodal links, the value of regional/metropolitan planning and designated certain specific corridors or projects

for priority funding. ISTEA established individual programs to handle these issues. Congress also called for the designation of the NHS in recognition of the need for a system of highways that would meet our national social and economic needs. The focus of S. 1887 should remain on designating a truly National Highway System that is not bogged down in either local disputes or special projects. While there should be a role for the MPO's in developing and evaluating alternatives and options within the NHS process, negotiations at this level of detail cannot be allowed to prevent final decisions and action on establishing and operating the NHS. Designation of the NHS should also not be delayed by using it to fund special projects. While a highly limited number of projects may be listed in the final NHS legislation, those proposing these projects should be required to show their special merit in relationship to meeting the national objectives of the NHS and why existing decision making approaches have failed to include them in the current proposal. Mr. Chairman, NSA strongly supports your call for a clean NHS bill. S. 1887 should remain focused at the national level and allow other components of ISTEA to deal with specific project proposals and local and regional needs.

There are other issues related to the NHS and ISTEA we would like to address such as the use of crumb rubber modified asphalt, the impact of uncertain federal funding on the cost of materials used in building and maintaining roads, and the state of construction aggregates research related to highway durability and performance. However, because you and your Committee are focusing on NHS designation, we will not raise them at this time. NSA does respectfully request the opportunity to testify at the September hearings you have announced to discuss these issues.

Again, on behalf of NSA, we thank you for your leadership in working for designation of the NHS during the 103rd Congress and pledge our support for passage of a clean National Highway System Designation Act.

Sincerely,



William D. Kelleher  
Vice President  
Government Affairs

cc: Senator John H. Chafee  
Mr. Peter L. Scher  
Ms. Kathryn Ruffalo  
Mr. Steven Shimberg  
Ms. Jean Lauver

Member Hoosier Environmental Council

# Protect Our Woods

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Dubois IN 47527-9664

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July 14, 1994

Testimony by Protect Our Woods

On Appropriations to Extend I-69 Through Rural Southwest Indiana  
Before the Senate Committee on Environment and Public Works

Thank you for this opportunity to comment on Indiana's proposal for the National Highway System. Protect Our Woods represents 800 members, mostly landowners, dedicated to protecting the forests, rivers, wetlands, farmlands, and rural communities of Southern Indiana.

## Summary

The Congressionally funded *Southwest Indiana Highway Feasibility Study*, 1990, analyzes the extension of I-69 from Indianapolis to Evansville along a new rural route through southwest Indiana. The study concludes that a low benefit-cost ratio would make this highway a poor public investment. Politicians and developers have nevertheless continued to promote this route, arguing that it will bring economic growth to a depressed rural area. As a result, the rural route has been included as a Congressional Priority Highway in Indiana's NHS proposal.

Protect Our Woods asks the Committee to recommend no appropriations for this project for the five following reasons:

1. Southwest Indiana is not a depressed rural area in terms of growth in manufacturing jobs and real personal income. In fact, employers in rural manufacturing towns are experiencing labor shortages.

2. Employment growth will mean increasing the population of rural areas. A rural interstate will also open the area to suburban residential development. The resulting population increases will convert farmland, forest, wetland, and floodplain to suburban uses, damaging the agricultural and timber base of the rural economy, reducing the quality of life for the existing rural population, further damaging already degraded watersheds, and imperiling native wildlife. Such development contradicts USDA land use policy (USDA Regulation No. 9500-3).

3. Because new rural businesses and jobs will be businesses and jobs relocated from urban areas in search of cheaper land and cheaper labor, urban areas will suffer from capital flight and abandonment, disadvantaging urban populations, especially minority populations.

4. Appropriations for this project will be a waste of taxpayers' money, contributing to the Federal deficit and to public perception of Congress as a porkbarrell for special interests. Because it is a poor public investment, as concluded by the *Southwest Highway Feasibility Study*, money to complete the rural route will probably never be available, and serious public opposition and environmental lawsuits will delay its completion indefinitely. The House has already reduced the \$54 million requested now for this billion dollar project to \$3 million.

5. Fortunately, an alternative exists that is affordable and relatively uncontroversial and serves urban populations efficiently without degrading rural areas. At a cost of \$200 million, one-fifth the cost of a new rural route, Indiana can upgrade US 41 to Interstate standards without federal funding. The state is already planning a bypass connecting US 41 to I-70 (to Indianapolis) at Terre Haute. An upgraded US 41 would better connect Southwest Indiana Cities to Chicago, and has been proposed for the National Highway System by the State of Illinois.

## The Fiction of Indiana's Depressed Rural Areas

Proponents justify the inefficient rural route for this highway by its economic benefits to depressed areas. But unemployment levels for counties in the proposed I-69 corridor are actually remarkably low, with the three metropolitan counties below state and national averages and only one rural county above the national average (Indiana Department of Workforce Development). Manufacturing employment grew at a faster rate in the rural than in the metropolitan counties with the exception of predominantly agricultural Gibson County.

Testimony of Protect Our Woods on  
Appropriations to Extend I-69 Through Rural Southwest Indiana

Personal income growth was significant in all counties and above the state average in two of the four rural counties. (*The Indiana Factbook*, Indiana Business Research Center)

	Unemployment Rate 1993	Manufacturing % Jobs Gain 1985-89	Personal Income % Gain 1989-89
US	6.8	--	--
Indiana	5.3	--	49
Morgan (MSA)	4.6	19	75
Monroe (MSA)	4.0	27	93
Warrick (MSA)	5.1	-3	152
Greene County	8.0	29	55
Daviness County	5.4	53	31
Pike County	6.6	29	37
Gibson County	6.7	5	55

The fiction of depressed rural economies in the highway corridor serves the interests of real estate speculators and developers, whose investments will appreciate if the government subsidizes improved access to them in the name of fighting rural poverty.

**Destruction of Rural Resources and Communities by Development**

Especially since the available rural workforce is small, attracting businesses to locate in rural areas means attracting more workers to the country, countering the long-term demographic trend moving people into urban areas. Modern highway access is crucial to this kind of rural development, and also promotes suburban sprawl by opening up the countryside to commuters and residential development. Indiana 15 Regional Planning Commission describes probable population trends in the area: "Neighboring metropolitan areas are already beginning to spill their population into the District in increasing numbers. This includes isolated commuter homes and smaller commuter communities. Of equal or greater importance is the trend toward recreation or second homes generally situated near water areas...." Indiana 15 identifies improved transportation, as well as water and sewers, as a key factor increasing likelihood of population growth in southwest Indiana. (*Overall Economic Development Program*, 1992) In fact, significant migration of industries and people to the countryside will occur only if it is heavily subsidized by public infrastructure spending.

Rural can be defined in terms of people and jobs per acre. If public spending succeeds in increasing rural population, the effect will be intensified land use and the elimination of rural economic and environmental resources, resource-based occupations, and traditional rural communities.

3,070 acres of farmland would be paved by the highway (Bernardin-Lochmueller & Associates). Farms fragmented by the highway would become less economically viable. But most loss of farmland would come from residential and commercial development caused by the highway. Family farming is still important in these counties. Their 2,634 farms have annual cash receipts of \$304 million (*Indiana Factbook*, 1992, Indiana Business Research Center). For every dollar received by farmers, up to \$5 are earned by related local businesses, or \$1,520,000,000 (*Is Farmland Protection a Community Investment?* American Farmland Trust, 1993).

About 990 acres of forest would be paved by the highway (Bernardin-Lochmueller & Associates). Indiana law values timber on condemned land at its value at maturity, in this corridor, about five and one-half million dollars. But most loss of timberland would come from residential and commercial development caused by the highway. Most of Indiana's remaining forest is located in southern counties, where abandoned marginal farmland has reverted to forest. The counties in the highway corridor are >30% forested, including 578,100 acres, producing nearly 47 million board feet of timber, worth about \$13,152,440, every year. Dr. William Hoover, Professor of Forest Economics at Purdue University, estimates that each dollar of timber sold on the stump in Indiana generates \$8 of additional economic activity, or \$375,787,520. (Calculated from *Indiana Forest Statistics, 1986*; from *Growing Indiana's Wood Products Manufacturing Industry*, Indiana Economic Development Council, 1993; and from letters from Indiana's State Forester and Dr. William Hoover) Besides clearing

**Testimony of Protect Our Woods on Appropriations to Extend I-69 Through Rural Southwest Indiana**

timberland, development fragments it into commercially less viable small woodlots.

Wildlife values likewise decline radically as forest fragmentation from development proceeds. Fauna such as forest nesting neotropical migrant birds are particularly vulnerable to fragmentation. The decline (currently averaging 3% per year) of these obligate insectivores, through loss of forest breeding habitat, in turn contributes to forest and timber damage by herbivory. (See Terborgh, *Where Have All the Birds Gone?* Princeton, 1989.) Declining migratory waterfowl habitat would also be destroyed. 72 acres of jurisdictional wetlands would be paved by the highway, including some rare bottomland hardwood wetlands (Bernardin-Lochmueller & Associates). But most loss of wetlands would come from residential and commercial development caused by the highway. 86% of Indiana's wetlands have already been lost to agriculture and development.

Development in rural watersheds will also increase pollution of streams and reservoirs critical to the already seriously degraded public water supply.

The Rural Development Administration's 1994 Environmental Assessment for construction of an 84-mile water line through three counties of the highway project area concluded that mitigation was required to counteract the potential for conversion of farmland, wetlands, and floodplains caused by cumulative impacts of the waterline and the proposed rural extension of I-69. Because no legal mitigation was identified, the waterline will be constructed without federal subsidy.

**Relocating Instead of Creating Jobs**

The *Southwest Indiana Highway Feasibility Study* of 1990 determined that an Evansville to Indianapolis freeway would create 371 jobs in Southwest Indiana in 20 years by business expansion, 1200 by business attraction, and 564 by tourism. The highway would also cause 404 tourism jobs to be lost elsewhere in the State. The 1200 business attraction jobs would also be jobs not located elsewhere. Thus 3/4 of these jobs would be relocated rather than new jobs. The most avid proponents of the I-69 freeway agree that rural investment and jobs will come at the expense of other areas. *The Mid-Continent Highway (I-69)* (1992) was commissioned by The Southwest Indiana Regional Highway Commission: "a good portion of the economic impact involves firms relocating to a new better location--overall demand and output for the nation is only marginally affected." Again, "the redistribution of employment that can result from the construction of a new transportation system may be desirable, even if it comes at some expense to areas where those jobs might otherwise be located." (4-5)

In effect, federal funding for this highway will subsidize southwest Indiana's competition with other localities, states, and regions to attract businesses away from each other. The federal government should be discouraging such unproductive competition, at least to the extent of making the states and regions pay the costs of it themselves.

**Urban Abandonment & the Rural Workforce**

The Hudson Institute's *The Future of Southern Rural Indiana* (1991), by David Reed, suggests that "the United States could see another round of industrial migration to rural areas to rival that of the 1960s and 70s (26)."

Mr. Reed describes "the attractions of rural locations for many kinds of enterprise": "The costs of doing business are generally lower outside cities than within them, in almost all expense categories. ...Workers in rural areas are less likely to be unionized" and more likely to be better workers than their urban counterparts. (26) Besides offering cheaper, nonunion labor, how else is the rural workforce better than the urban? Southwest Indiana's rural workforce is poorly educated: "Fewer than two-thirds of the region's people were high school graduates in 1980 as against three-fourths of the nation's white population, and only one in five had a college degree as against one in five nationally (iv)."

Nor is the rural workforce larger. According to Mr. Reed's Hudson Institute study, "Much of the potential for economic growth in the nation's rural areas depends on ... the location or relocation of economic interests to areas where workers are available. ...Significant numbers of workers may become available in rural labor markets." (24) This assertion is contradicted by low unemployment in the highway corridor. Neighboring Dubois County, with near full employment, provides manufacturing jobs for surrounding rural counties, and has had to begin importing Mexican workers. (Attachment A) In fact, the availability, as well as the reliability, of rural workers in Southern Indiana has been called into question recently even in high unemployment areas. In Orange County, for example, with the sixth highest unemployment rate in the State, 8.5% in December 1993, with 770 unemployed, industrial representatives

Testimony of Protect Our Woods on  
Appropriations to Extend I-69 Through Rural Southwest Indiana

complain that they can't find enough workers, and that turnover and absenteeism are high. As a result, employers question the accuracy of the complicated formulas that calculate high levels of rural unemployment. (Attachment B)

The myth of a large and superior rural workforce disguises a program for urban flight that appears to be racially motivated. "Despite the somewhat slower growth of the working-age population in rural southern Indiana than in the nation as a whole. ...the southern Indiana work force is highly regarded for both its work ethic and its trainability -- a product of what we have called the 'cultural capital' of the region." In fact, evidence for this cultural capital is anecdotal, and it turns out to be primarily the whiteness of the rural population. "Southern Indiana's black population remains, as it has always been, small. ...The only other minority group of any size, Hispanics, number only ...one-fourth the size of the black population." (*The Future of Southern Indiana*, iv)

The Cities of Vincennes and Terre Haute in particular would suffer economic damage, as existing traffic would be diverted from the I-70/US 41 route from Indianapolis to Evansville. Upgrading the Bloomington to Indianapolis segment of the proposed rural route to limited access will provide most benefit to Bloomington, according to Dr. Morton Marcus of the Indiana Business Research Center. But building the rural segments south to I-64 first will postpone the Bloomington to Indianapolis segment until congestion makes upgrading impossible and requires a new rural route for this segment also.

#### Public Opposition

We are disturbed by the lack of opportunity for public input on Indiana's National Highway System proposal. Indiana began holding public hearings on May 4, 24 days before the State's proposal was due. Final public comments were due 4 days before the State's deadline. This is a travesty of public involvement: clearly, changes based on public comment cannot be made in 4 days. Officials of Metropolitan Planning Organizations have been consulted. But rural people and the general public have been left out.

Nevertheless, there is evidence of serious public opposition to the highway, in spite of a concerted effort by politicians and chambers of commerce to sell it to Hoosiers. Farmers and landowners in Monroe, Greene, and Gibson counties are practically up in arms. One Vincennes and Three Monroe County State Legislators have spoken against it. Indiana's environmental movement is solidly against it. The Hoosier Environmental Council has collected more than 40,000 petition signatures against it to date. *The Indianapolis Star*, the State's largest newspaper has editorialized against it (Attachment C). And *The Evansville Courier* conducted a poll in October 1992, and concluded: "People in Evansville and Newburgh are ambivalent about the proposed interstate highway to Indianapolis. Many don't believe it would attract new jobs to the area. And they think the almost \$1 billion cost can't be justified." (Attachment D)

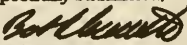
#### Conclusion

Southern Indiana's large metropolitan areas are already well-connected by major highways, though some of these need improvement. The rural route proposed for I-69 stands out on the *Indiana Proposed National Highway System Map* as an unnecessary addition, requiring the construction of an entirely new highway. The metropolitan areas would be equally well served by upgrading existing routes. The proposed new rural route will promote urban abandonment and residential and commercial sprawl. This sprawl is inefficient in time and energy, expensive to provide with public services, and damaging to wildlife and watersheds and the rural economy. Indiana should be proposing a rational, efficient, futuristic transportation system rather than such porkbarrell construction projects.

The Detroit to Memphis (Houston) Corridor through Evansville is already served by I-70/US 41. Because another highway in this corridor is unneeded, unjustifiably expensive, damaging to the traditional rural economy and natural systems, and resisted by urban and rural citizens, I-70/US 41 should be designated the Indianapolis to Houston Corridor.

The National Highway System should serve national interests. It will have little value as rational national transportation planning if it becomes the captive of local pork barrel politics, as it has in the Indiana Proposal.

Respectfully submitted,

  
Bob Klawitter  
Executive Director

NOTE: Attachments to this statement have been retained in committee files;



Buyers Up • Congress Watch • Critical Mass • Health Research Group • Litigation Group

Joan Claybrook, President

July 14, 1994

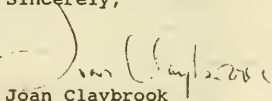
The Honorable Max Baucus  
 Chairman, United States Senate  
 Committee on Environment and Public Works  
 Washington, DC 20510

Dear Mr. Chairman:

We are extremely distressed that we have been informed by your staff that we are not allowed to testify this week on the National Highway System (NHS) legislation. As the enclosed testimony which I am submitting for the record explains, the investment from the public treasury which you will be spending to create the NHS will be severely undercut and funds wasted unless this bill includes clear limitations on the weight of large trucks as current law provides for the interstate system.

We would very much appreciate the opportunity to meet with you and discuss this. In the meantime, please make this statement and this letter part of the hearing record.

Sincerely,

  
 Joan Claybrook

enc.

cc: Kathy Ruffalo

JC/alw

Ralph Nader, Founder

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**TESTIMONY SUBMITTED FOR THE RECORD BY JOAN CLAYBROOK, CO-CHAIR**

**CITIZENS FOR RELIABLE AND SAFE HIGHWAYS (CRASH)**

**AND PRESIDENT, PUBLIC CITIZEN**

**COMMITTEE ON ENVIRONMENTAL AND PUBLIC WORKS**

**UNITED STATES SENATE**

**WASHINGTON, D.C.**

**JULY 15, 1994**





CRASH is a nonprofit citizens organization dedicated to highway safety. CRASH has over 30,000 activists nationwide. Our 17-member Board of Directors includes Robert Vagley, President of the American Insurance Association; John S. Hassell, former Administrator of the Federal Highway Administration; and James Arena, Chair of the National Association of Governor's Highway Safety Representatives.

Since its formation in 1990, CRASH has actively promoted a wide range of highway safety initiatives. Those initiatives related to issues such as truck driver fatigue, truck maintenance standards, the adequacy of truck underide guards, the freeze on Longer Combination Vehicles (LCVs) and ensuring that U.S. truck safety standards are not lowered as a result of the North American Free Trade Agreement.

Today we are here to testify in support of H.R. 4496, "The Safe Highways and Infrastructure Preservation Act of 1994," introduced by Representative James Oberstar. Mr. Oberstar's bill will save lives and reduce injuries and property damage by stopping the otherwise never-ending ratcheting upward of truck sizes and weights.

Moreover, without the Oberstar bill, Congress will spend billions of taxpayer dollars to upgrade National Highway System ("NHS") highways and bridges and then allow heavy trucks to destroy that system. Federal Highway Administrator Rodney Slater is as concerned about this as we are. As he recently noted: "The heavier the trucks, the more damage to our already deteriorated road system."

Specifically, H.R. 4496 will:

**1. Cap trailer lengths.**

Will freeze the length of trailers used on the NHS at 53 feet. Existing trailers longer than 53 feet legally in use may continue to operate on the NHS in those states where they are already authorized.

**2. Freeze current weight limits.**

All trucks in excess of 80,000 pounds (and trucks in excess of axle weight and bridge formula limits) can continue to operate on the NHS, but only on those highways and under the same conditions as now allowed. This provision would not require any trucking company or shipper to change any currently legal operations. It is not a roll-back. However, no new overweight rights could be claimed on the NHS.

### 3. Repeal the Symms Amendment

Mr. Oberstar's bill will return the authority to the U.S. Department of Transportation to review state claims of grandfather rights.

Others supporting a length and weight cap include the American Automobile Association which represents 35 million American motorists, the Owner Operator Independent Drivers Association which represents the nation's independent truck drivers, the Consumer Federation of America, the American Public Health Association, West Virginia United Mine Workers, the Sierra Club and the 38 other organizations set forth in the list attached to my testimony. Many of these organizations had hoped to be here personally to testify today as well. But in recognition of the Committee's time constraints, some will submit statements for the record. They want the Committee to realize that while this may not be an "inside the beltway" issue, it is an enormously important to citizens all over the country.

Last month this Committee reported a bill the NHS on which billions of dollars will be spent. We believe the Committee should follow that action with steps to protect the safety of the motoring public using these highways and the investment of its tax dollars.

There are four reasons why we think Congress should freeze truck weights and length.

First, over the past 50 years there has been a dangerous pattern of ever increasing truck lengths and weights. A part of the trucking industry has, over the years, successfully exploited the ambiguities in federal weight laws. It has applied pressure on the states to obtain approval for heavier and longer trucks on state highways that are not permitted on federal Interstates. And that part of the trucking industry is never satisfied. In virtually every instance in which it has succeeded in obtaining higher length limits, it has followed with pressure to raise the weight limits to accommodate the added trailer capacity. Likewise, the weight increases are invariably followed by demands for greater length to accommodate the additional weight.

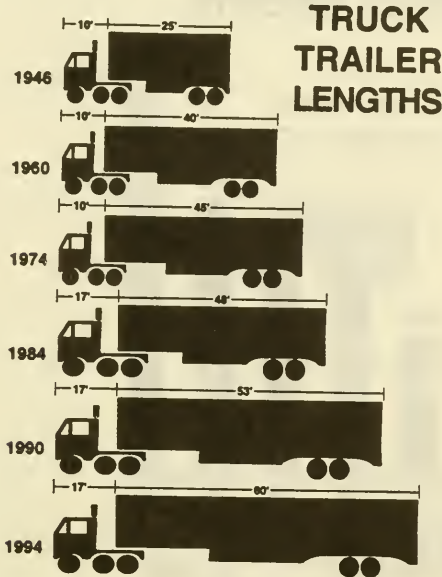
Second, heavy trucks cause huge amounts of pavement and bridge damage today. We already have an existing backlog of highway and bridge deficiencies estimated at \$212 billion. Without the Oberstar bill, Congress will spend billions of taxpayer dollars to upgrade NHS highways and then allow heavier trucks to destroy that system.

Third, studies conclusively show that the heavier the gross weight of a truck, the greater the likelihood of a crash.

Fourth, longer trucks are more dangerous trucks.

## TRUCKS CONTINUOUSLY GET LONGER AND HEAVIER

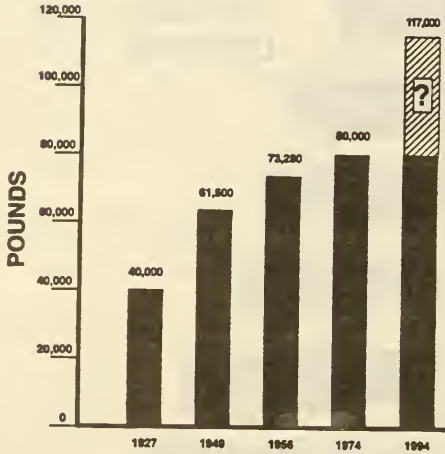
Over the past 50 years, there has been a dangerous pattern of ever-increasing truck weights and lengths. The chart below shows the continuous growth in the length of trucks.<sup>1</sup>



<sup>1</sup>1990: All but a handful of northeastern and mid-Atlantic states had approved 53 foot trailers by 1990. In 1994, all states except Rhode Island allow 53 foot trailers. 1994: As of June, 1993, 11 states allowed trailers 57 feet or longer. Texas, Oklahoma, and Kansas allow trailers that are 59.6 feet long. Wyoming allows trailers 60 feet long. In 1987 the American Association of State Highway and Transportation Officials (AASHTO) adopted a policy calling for a national semitrailer length of no more than 48 feet in order to be compatible with existing highway design and safety needs. "Guide for Maximum Dimensions and Weights of Motor Vehicles and for the Operation of Nondivisible Load Oversize and Overweight Vehicles," AASHTO, April, 1987.

Similarly, trucks have become progressively heavier.<sup>2</sup>

## TRUCK WEIGHTS



<sup>2</sup>Source for all years before 1994: Transportation Research Board, Twin Trailer Trucks, Special Report 211, p. 30. Source for 1994: Although there is now an 80,000 federal cap, because of the grandfather clause, many states issue special permits to exceed 80,000 pounds. The Federal Highway Administration does not know the number of special permits nor the number of overweight trips run under such permits. A Report to Congress from the Secretary of Transportation, "Overweight Vehicles -- Penalties & Permits, US Department of Transportation, April, 1993, p. iv. The maximum truck weight carried pursuant to special permits in Wyoming is 117,000 pounds. Summary of Size and Weight Limits, American Trucking Associations, 1993.

In sharp contrast, automobiles have been getting smaller and lighter since the 1970's.

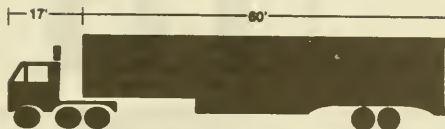
## COMPARISON OF TRUCK—AUTO LENGTHS



1946 TRACTOR WITH 25' TRAILER



1946 BUICK LENGTH = 17.85 FT.



1994 TRACTOR WITH 60' TRAILER



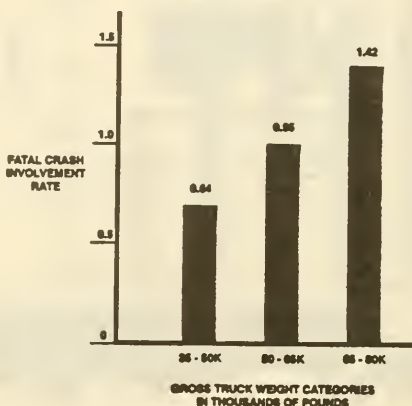
1994 ACCORD LENGTH = 15.33 FT.

There is an immediate need to draw the line on further truck length and weight increases.

#### HEAVIER TRUCKS ARE MORE DANGEROUS TRUCKS

Truck crash rate studies conclusively show that heavier trucks are more dangerous trucks. The graph below depicts the sharp increase in fatal truck crash rates as trucks get heavier.<sup>3</sup>

#### FATAL CRASH RATES FOR LOADED TRACTOR SEMI-TRAILERS



<sup>3</sup>K.L. Campbell et al., "Analysis of Accident Rates of Heavy-Duty Vehicles", University of Michigan Transportation Research Institute, Report No. UMTRI-88-17, Ann Arbor, April, 1988, p. 65.

This graph is based on a study of fatal truck crash involvement rates performed by the University of Michigan Transportation Research Institute (UMTRI) in 1988. The UMTRI study shows that if an 80,000 pound truck is operating on the same highways and under the same conditions as a 65,000 pound truck, the heavier truck is 47% more likely than the lighter truck to be involved in a crash because of the additional weight.

The American Trucking Association (ATA) would have you believe that the gross weight of a truck bears no relationship to the likelihood of a crash. In fact, they would have you believe that the heaviest trucks are the very safest.

In support of this, the ATA cites UMTRI data showing lower crash rates for the heaviest trucks.<sup>4</sup> The ATA would hope that your analysis would end at that point. However, UMTRI concluded that stopping at that point -- and not taking into account the types of roads on which heavy and light trucks travel -- misrepresents the influence of gross weight in causing fatal truck crashes.

UMTRI concluded that in order to provide a comparison of fatal crash involvement rates of trucks with differing gross vehicle weights, one must control for the influence the different highways travelled and the time of day during which the travel takes place.

Heavier trucks -- typically used in long haul over the road operations -- travel much more on the safer limited access, divided highways, and on the safer rural highways and at night when there is less congestion on the highway. Lightly loaded trucks -- such as used in pickup and delivery service -- travel more often on the more dangerous urban roads, on the more dangerous two way, two lane roads and during the more congested daylight time periods.

UMTRI stated that it is "essential" to control for these factors.<sup>5</sup> When UMTRI controlled for these factors, it found (as

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<sup>4</sup> March 25, 1994 letter from Western Highway Institute to the Honorable Nick Joe Rahall, p. 3. The Western Highway Institute was acquired by the American Trucking Associations in October, 1993.

<sup>5</sup> Campbell et. al., supra note 3, p. 67: "To carry out the analysis, it is essential to have both accident data and travel data that can be cross-classified by the factors of interest, especially those categorizing the type of travel. It is not sufficient to simply know the total miles travelled. One must also be able to classify the travel by factors related to the accident

shown in the graph on page 6 of this testimony that the heaviest trucks were significantly overinvolved in crashes.

There a number of factors which make heavier trucks more dangerous. These are explained in detail in the CRASH white paper I have attached to my testimony. Let me briefly summarize those reasons now.

First of all, heavier truck weights substantially increase the truck rollover rate.<sup>6</sup> Researchers at the University of Michigan's Transportation Research Institute have concluded that the 1974 federal law which increased the maximum truck weight from 73,280 pounds to 80,000 pounds resulted in a 44% increase in the rollover rate of fully loaded trucks.<sup>7</sup> Mr. Chairman, I think this is particularly significant. An increase of less than 7,000 pounds increased the rollover rate by 44%. More recent research shows that increasing gross weight from 80,000 to 88,000 pounds will again increase the rate of rollovers.

Second, heavier trucks are also more likely to be involved in "runaway" crashes<sup>8</sup> caused by brake failures on steep downhill grades. Interviews with truck drivers with mountain driving experience show that one out of every four drivers has lost his brakes at least once during his driving career.<sup>9</sup>

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risk, such as the type of road and the time of day."

<sup>6</sup>R. D. Ervin et al., "Influence of Size and Weight Variables on the Stability and Control Properties of Heavy Trucks," Final Report, Vol. I, University of Michigan Transportation Research Institute, March, 1983, pp. 82-84.

<sup>7</sup>R. D. Ervin et al., *supra* note 6, p. 84.

<sup>8</sup>P.S. Fancher et al., "Retarders for Heavy Vehicles: Evaluation of Performance Characteristics and In-service Costs," Phase I, Technical Report, Highway Safety Research Institute, The University of Michigan, February, 1981, pp. 90-91.

<sup>9</sup>P.S. Fancher et al., *supra* note 8, p. 75.



Third: More weight means that for many trucks it will take longer for the truck to come to a stop after the brakes are applied.<sup>10</sup> The rates of fatal crashes in which tractor-semitrailers crashed into the rear ends of other vehicles are consistently higher for more heavily loaded trucks than for more lightly loaded trucks.<sup>11</sup>

Fourth: Trucks designed to carry heavier loads have more jackknife crashes when travelling empty than do trucks designed for lighter loads.<sup>12</sup>

Fifth: Heavier trucks are incompatible with other traffic. Heavier trucks travel more slowly on upgrades. These slower speeds are dangerous. Among other hazards that are created, these slow upgrade speeds on two-lane, two-way highways cause a much higher percentage of illegal passing maneuvers by trailing passenger cars.<sup>13</sup> One study showed that trucks which travel 15 mph below the prevailing speed of other

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<sup>10</sup>R. D. Ervin et al., supra note 6, at pp. 55-56, determined that for out of adjustment brakes, the increase in stopping distance is directly proportional to increases in weight. Federal Highway Administration, Office of Motor Carriers, Accomplishments and Effectiveness, Annual 1992 Report, Attachment 111, p. 7 reports that more than 50% of all out of service violations result from out of adjustment brakes. About 30% of all truck inspections result in out of service orders. Congress of the United States, Office of Technology Assessment, Gearing Up for Safety, Summary, 100th Congress, p. 5.

<sup>11</sup>P.S. Fancher et al., "Turner Truck Handling and Stability Properties Affecting Safety," Final Report, Vol. I, University of Michigan Transportation Research Institute, 1989, p. 122.

<sup>12</sup>Transportation Research Board, Truck Weight Limits, Special Report 225, 1990, p. 111. Note that loaded trucks seldom jackknife. Jackknife is usually initiated by premature lockup of the drive axles of tractors hauling empty trailers. P.S. Fancher et al., "Vehicle Design Implications of the Turner Proposal," University of Michigan Transportation Research Institute, September 14, 1989, text accompanying Figure 8. Heavier trucks require more torque capacity than do lighter trucks. When the torque level applied to tires becomes too great, given the load on those tires, lockup and loss of control occurs. R. D. Ervin et al, supra note 6, p. 52.

<sup>13</sup>Gerald Donaldson, Ph.D., "Large Truck Safety and the Geometric Design of Two-Lane, Two-Way Roads," ITE Journal, vol. 55, No. 9, September 1985, pp. 41-46, citing Wolton and Gericke. See Note 17.

vehicles have crash involvement rates nine times higher than those that travel at the same speed as other traffic.<sup>14</sup>

Also, because of their length and slow acceleration rates, longer and heavier trucks take more time and distance to merge into freeway traffic from an onramp than do smaller and lighter trucks. Acceleration lanes -- that is, merge lanes which allow vehicles coming from onramps to build up enough speed to easily merge with other vehicles -- are designed primarily for cars and, according to the Transportation Research Board, are already too short for even 80,000 pound trucks.<sup>15</sup>

There is no question that heavier trucks cause more crashes, more death and injury, or more damage to our highways and bridges. It is therefore essential that the current federal 80,000 pound limit gross vehicle weight limit (including the current requirements of 23 U.S.C. section 127) which now applies only to Interstates be extended to the entire National Highway System. H.R. 4496 would extend these requirements to the NHS.

#### OVERLENGTH TRUCKS ARE MORE DANGEROUS TRUCKS

There are a number of reasons why overlength trucks are more dangerous. Already the current situation threatens to get out of hand. For example, in the state of Oklahoma, a new rule has been proposed by the state DOT to increase the maximum allowable length of double trailer trucks to 59 feet 6 inches for each trailer. This is a vehicle nearly 150 feet in length, one-half the length of a football field. These vehicles are nothing less than "highway trains".

There are a number of concerns about truck length.

#### Offtracking and Swingout Lane-Encroachment

One of the major hazards of overlength trucks results from a tradeoff which must be made by truck drivers between the dangers of "offtracking" and "swingout lane-encroachment". Let me

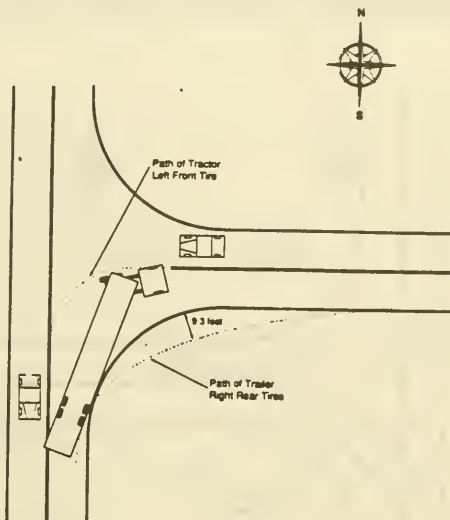
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<sup>14</sup>C.M. Walton and O. Gericke, "An Assessment of Changes in Truck Dimensions on highway Geometric Design Principles and Practices," The University of Texas Center for Transportation Research, Austin, 1981.

<sup>15</sup>Transportation Research Board, Truck Weight Limits, Special Report 225, 1990, p. 119.

describe these two dangers.<sup>16</sup>

"Offtracking" means that the rear wheels of a trailer do not follow the front wheels of the tractor when making a turn. In order to make a 90 degree intersection turn and minimize the encroachment by the trailer into the oncoming lanes of traffic, a driver of an overlength trailer must, as shown below, allow the trailer to leave the roadway, roll over any curb and plough through whatever stands in its path -- from roadway signs to other objects. This may unintentionally include a pedestrian or a bicyclist.



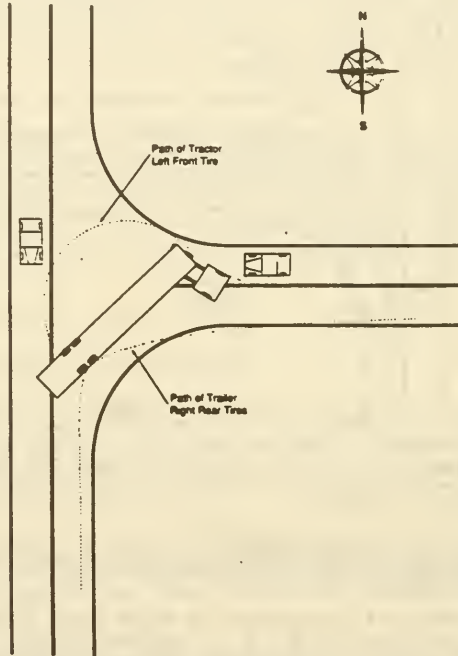
<sup>16</sup>Diagrams on pp. 11-13 are based upon the CRASH computer simulations based upon the mathematics and geometrics set forth in the following two studies:

"Vehicle Offtracking Models", Michael W. Sayers (UMTRI); in Symposium on Geometric Design for Large Trucks, Transportation Research Record 1052; 1986

"Swept Paths of Large Trucks in Right Turns of Small Radius"; J. R. Billing and W. R. J. Mercer (Ontario Ministry of Transportation); in Symposium on Geometric Design for Large Trucks; Transportation Research Record 1052; 1986.

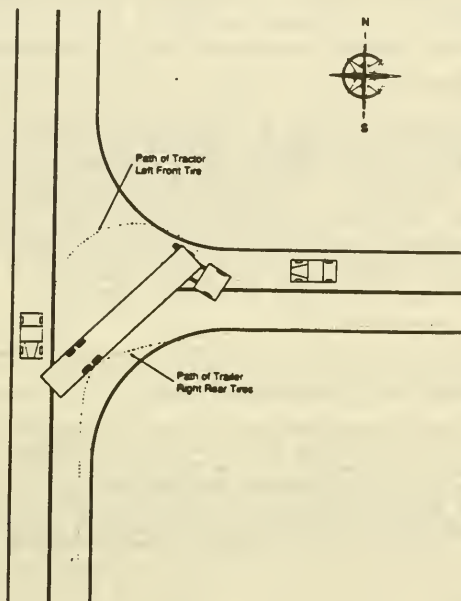
Note that the path of the right rear trailer tires are more than 9 feet off the pavement. Note also that the rear of the trailer encroaches two feet into the lane of oncoming traffic. In 1983, a survey of the states of AASHTO showed that only about half of existing Interstate ramps could accommodate the offtracking of a combination truck with a 48-foot long semitrailer.

If the driver tries to prevent the trailer from leaving the road, he must encroach to a much greater degree into oncoming lanes of traffic in one of the two ways shown below.



You will note that the driver first had to swing his tractor to the left two feet in the lane of oncoming southbound traffic before beginning his right turn into the lane of westbound oncoming traffic. This maneuver causes the trailer to "swing-out" five feet -- almost to the middle of the oncoming lane of traffic. The rear end trailer swing-out is extremely hazardous for oncoming traffic since it is totally unexpected and the truck driver himself will frequently not realize that the swing-out is going to occur. He will, therefore, not plan for it.

Note also, that the right rear tires of the trailer still leave the roadway. The driver's only other choice is as shown below:



Here the driver avoided moving the tractor into the southbound oncoming lanes of traffic, but both the tractor and the trailer encroached into oncoming lanes of traffic on the road onto which they were turning. The trailer also encroaches 3 1/2 feet into the southbound oncoming lanes of traffic. The left front wheels of the tractor goes over the curb and leaves the pavement on the left and the right rear tires of the trailer go over the curb and leave the pavement on the right.

Here the tractor and the trailer encroached into oncoming traffic lanes on the road onto which they were turning.

#### **Severity**

Crashes with these overlength trailers are more likely to be severe. In a jackknife accident, for example, the extra length of the trailer means the overlength trailer is more likely to be thrown into adjacent lanes of traffic and to hit other vehicles.

#### **Lane Changes and Merging**

Drivers of overlength trucks find it more difficult to merge into freeway traffic from an onramp. They frequently have to slow or stop to find a gap in traffic which is large enough to allow them to move into. This results in traffic backup and disruption at the interchange. It also creates the potential for following motorists to hit the rear end of overlength trucks which suddenly slow or stop. Moreover, slowing or stopping the truck effectively shortens the length of the acceleration lane provided for merging. These lanes are almost always of substandard length even for trucks attempting mergers at reasonable speeds.

Overlength trucks have the same problem changing lanes.

#### **Heavier Trucks Destroy Our Roads and Bridges**

Large trucks are already beating our road pavements and bridges to pieces. Our existing total backlog of highway and bridge deficiencies is estimated by the federal government as \$212 billion. The U.S. Department of Transportation in its last report to Congress says that it would take \$60 billion a year just to improve our roads and bridges above minimum acceptable standards.<sup>17</sup> More than 115,000 federally-assisted bridges in the

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<sup>17</sup> U.S. DOT, "The Status of the Nation's Highways, Bridges and Transit: Conditions and Performance," 1993.

U.S. are rated as structurally deficient.<sup>18</sup>

If we do not cap the size and weight of trucks we will be spending billions of dollars to create the NHS and then allow even heavier trucks to destroy that system. The American Association of State Highway and Transportation Officials ("AASHTO") showed many years ago in its road test (the "Road Test") that one 80,000 pound 5-axle tractor-semitrailer will do as much damage to the pavement as 9,600 automobiles.<sup>19</sup>

The ATA has questioned the reliability of the AASHTO 9,600 to 1 ratio of truck to car pavement damage by asserting that the AASHTO figure has no relationship to actual pavement wear and is outdated.<sup>20</sup> The ATA is wrong that the AASHTO Road Test has no relationship to actual pavement wear. In fact, the AASHTO Road Test involved continual driving on test roads until the roads wore out.

The ATA is correct that the AASHTO Road Test completed in the early 1960s is old and should be updated. The 9,600 to 1 ratio was based on the relative damage caused by a heavy truck and a 4,000 pound car, about the weight of a minivan carrying five passengers and a weekend's worth of luggage. Since most cars today carry on average 1.3 passengers and weigh about 3,000 pounds, a more accurate average car weight for today would be 3,200 pounds. Using the updated car weight the AASHTO ratio for truck to car pavement damage would be closer to 19,000 to 1.

Even the ATA's own report suggests a methodology which results in a truck-to-car pavement damage ratio of 5,600 to 1.<sup>21</sup>

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<sup>18</sup> Id.

<sup>19</sup> "AASHTO Road test," Highway Research Board Special Report 61, National Academy of Sciences, 1962.

<sup>20</sup> March 25, 1994 Western Highway Institute letter, supra, note 4, pp. 4-5.

<sup>21</sup> P. E. Irick, S.B. Seeds, and M. A. Diaz, ARE Inc., Engineering Consultants, "Characteristics of Load Equivalence Relationships Associated with Pavement Distress and Performance Phase II Study," Executive Summary, December 1991, prepared for the Trucking Research Institute, ATA Foundation, Inc. The 5,600 to 1 ratio was derived from Equation 3 on page 6 and Table 3 on page 12. CRASH used values from Table 3 corresponding to the parameters used to define AASHTO's 9,600 to 1 ratio: SN = 4.36, terminal PSI = 2.5. All ratios are based on load equivalence factors for flexible pavements which comprise about 60% of Interstate and principal arterial mileage.

Frankly, it is less important whether the damage ratio is 19,000, 9,600 or 5,600 to 1. The fact is, no matter which of the three ratios is right, heavy trucks cause an enormous amount of damage to public highways, and our government policies should be designed to put an end to the constant escalation of truck weights.

And the rate at which paved surfaces deteriorate increases exponentially in relation to the weight of the vehicle running over it. This means, for example, that a 20% increase in the current weight limit will cause 75% more pavement wear.<sup>22</sup> Should we expect the public to pick up the cost of the additional highway damage from heavy trucks? According to the Federal Highway Administration, the amount paid by trucking companies in taxes is at most only 60% of the cost of the damage that they cause to our highways and bridges.

ATA claims that there is no need for a gross vehicle weight cap of any level and urges Congress to "free the private sector and state governments from federal limitations on gross vehicle weight caps and the LCV freeze."<sup>23</sup> CRASH strongly disagrees.

The gross vehicle weight cap is essential. As we have already shown, the heavier the gross weight of a truck, the greater the likelihood of a fatal crash. Moreover, both pavement and bridge damage worsen with increasing gross vehicle weights with the same vehicle configuration. Existing gross vehicle weight limits are a compromise that allow some level of bridge and pavement damage, and raising these limits would increase the damage.

With respect to bridge damage, FHWA has concluded that the current bridge formula without a gross weight cap would allow the operation of trucks so heavy that they could cause severe structural damage to bridges on the Interstate system:

Within the range of configurations normally operated by carriers, the Bridge Formula effectively prevents overstress on Interstate System bridges. If combinations were operated with many more axles than are commonly used, however, allowable vehicle weights derived from the Bridge Formula could be high enough to severely damage Interstate bridges. Presently, the Gross Vehicle Weight limit of 80,000 pounds on the Interstate System creates little incentive for carriers

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<sup>22</sup>Transportation Research Board, Truck Weight Limits, Special Report 225, 1990, p. 141.

<sup>23</sup> Western Highway Institute Letter, supra, note 4, p. 6.



to add axles to existing combinations, but without a Gross Vehicle Weight limit there would be such an incentive because the greater the number of axles, the greater the permissible Gross Vehicle Weight. For instance, a Turnpike Double with 25 axles could have a Gross Vehicle Weight of 227,500 pounds, and a Triple could weigh 205,000 pounds.<sup>24</sup>

Obviously, if Interstate bridges are at such great risk then bridges on the remainder of the NHS would be at risk of even greater structural damage.

As far as LCVs are concerned, we are not surprised by this most recent statement of the ATA's real agenda. Their call for a "thaw" of the LCV freeze merely confirms the ATA's overall plan to place the heaviest and longest trucks on our highways without regard to the dangers they present to everyday motorists or to the damage they cause to our highways and bridges.

#### **Close The Symms Amendment Loophole**

These considerations show how our non-Interstate highways are at risk of major increases in truck crashes and pavement damage. But weight abuses and legal loopholes have combined to ensure that both safety and pavement suffer from big trucks on our Interstates as well.

These loopholes allow states, under pressure from part of the trucking industry, to exceed the federal 80,000 pound weight limit. The most important of these is the "Symms Amendment" to the grandfather provision of Title 23, section 127. In 1956 Congress passed legislation to build the Interstate highway system. At the same time, it passed a truck weight limit law on the Interstates to protect that huge investment from the pavement and bridge damage caused by heavy trucks. Since some states, however, already had state laws with higher weight limits than the new federal limit, those states had their higher limits grandfathered.

Until 1982 the determination of whether a state had grandfathered rights to issue special permits allowing trucks heavier than the federal limit on the Interstates was made by the Secretary of Transportation through the Federal Highway Administration.

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<sup>24</sup> Federal Highway Administration, "The Feasibility of a Nationwide Network for Longer Combination Vehicles," Report to Congress, June, 1985, p. 11-25.

In 1982, however, Senator Steve Symms sponsored an amendment which has created complete chaos. It gives each state highway department absolute discretion to determine whether it has grandfather rights, no matter how tenuous or blatant the claim.

The result has been an explosion in the number of overweight trucks on Interstates. The number of divisible multi-trip permits for overweight trucks has increased by more than 300%<sup>25</sup> since the Symms Amendment was added to section 127. And FHWA, despite possessing proof that state grandfather claims are inaccurate, remains powerless to protect the Interstates and the motoring public because of the Symms Amendment.

The Symms Amendment must be repealed now.

#### CONCLUSION

Congress must act now to stop the spread of overweight and overlength trucks. CRASH urges this Committee and Congress to report out and pass H.R. 4496, the Safe Highways and Infrastructure Preservation Act of 1994.

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<sup>25</sup>Overweight Vehicles-Penalties and Permits, Federal Highway Administration, 1993.

## STATEMENT OF TIMOTHY A. BAKER, CHAIRMAN, BOARD OF DIRECTORS, RUBBER PAVEMENTS ASSOCIATION

Thank you, Chairman Baucus, for providing the Rubber Pavements Association with the opportunity to provide testimony to this Committee related to the use of crumb rubber as an asphalt pavement modifier. I serve as Chairman of the Board of Directors of the Rubber Pavements Association, an organization comprised of companies which produce asphalt pavements and crack and joint sealants containing recycled rubber, companies which produce crumb rubber for use in asphalt pavements, and companies which support these two industries. I appear today on behalf of these companies to explain how crumb rubber from scrap tires is used in the United States and abroad to modify and improve asphalt pavements.

Crumb rubber was first tested as a modifier for asphalt pavements in the mid-1960s. Its use then and now has been based on the performance characteristics of crumb rubber as a modifier, not as a recycled material produced from scrap tires. The Federal Highway Administration (FHWA) has classified this product as a "modifier," and not as an "additive" because crumb rubber, properly used, enhances various properties of asphalt.

Currently over 30 States use crumb rubber modifier on a routine basis. Crumb rubber modifier is being used most widely as a crack and joint sealant, (it adds elastic properties to the sealants), as stress absorbing membrane inner-layers (SAMI's), and in hot mix asphalt (HMA) applications. These products, properly engineered and properly placed, are a cost-effective method of improving pavement performance and durability.

Approximately 95 percent of the crumb rubber modifier applied in the United States and abroad is referred to as the "Wet Process," a pre-reacted blend of specific amounts of crumb rubber (averaging 300 pounds per ton of asphalt binder) based on a time temperature formula. The "Wet Process" is also termed "Asphalt-Rubber". While there are numerous, more recently developed processes incorporating crumb rubber from scrap tires in asphalt pavement, the basic Asphalt-Rubber formula, with some variations, has been the most widely accepted within the engineering community as a cost-effective process for modifying and improving asphalt pavements.

States like California, Arizona and Florida use Asphalt-Rubber as standard procedure in a variety of applications. Extensive experience has shown that Asphalt Rubber makes longer lasting, lower maintenance roads. The use of crumb rubber in asphalt pavements retards reflective cracking, reduces the propensity for rutting, reduces surface noise, retards the aging process, and increases pavement flexibility.

California, based on its extensive experience with crumb rubber modifier, is expected to use nearly one million tons of Asphalt-Rubber hot mix in 1994, (in approximately 10 percent of its asphalt paving applications). In California, Asphalt-Rubber is used at a reduced pavement lift thickness, by as much as one-half, with equivalent structural strength to greater thicknesses of conventional hot mix asphalt. Attached to my testimony is a copy of FHWA-approved design guidelines issued by CALTRANS which allows for reduced pavement lift thicknesses, with the same or better performance results, when Asphalt-Rubber is used in gap graded pavement rehabilitation applications.

Florida Governor Lawton Chiles recently announced a program to use a pre-reacted crumb rubber modifier process in 100 percent of the State's surface treatments in 1994. The Florida Department of Transportation, like CALTRANS, is a leader in pursuing the use of innovative materials to improve pavement performance and durability.

In Arizona, where Asphalt-Rubber was developed, the State is using the material in numerous applications in all climactic conditions. Based on Arizona's experience,

Asphalt-Rubber has the capacity to improve pavement performance in extreme hot and cold temperature conditions.

In 1989, the U.S. Army Corps of Engineers teamed with industry representatives to conduct research on construction productivity with Asphalt-Rubber. This 2-year study concludes that Asphalt-Rubber ages more slowly and is more resilient than conventional asphalt alternatives. The Army Corps of Engineers recently testified before the House of Representatives on their experience with Asphalt-Rubber. Dr. Robert Oswald, Army Corp Director of Research and Development, had the following to say about the performance of crumb rubber as an asphalt pavement modifier. "We have demonstrated that we can increase the durability of asphalt pavements by including crumb rubber from tires. We can improve the safety of that surface because it also gives you an increased coefficient of friction."

It is essential that the enhanced performance characteristics of CRM technologies are recognized when comparing the cost effectiveness of these materials with conventional asphalt. Mr. Gene Morris, P.E., author of a paper issued and peer-reviewed by the American Society for Testing Materials titled *True Cost Effectiveness of Asphalt-Rubber Paving Systems*, concluded that, "If systems are compared that truly provide solutions to the problems, then the use of Asphalt-Rubber can provide a first cost effectiveness in a majority of the cases. Asphalt-Rubber will provide life cycle cost effectiveness virtually 100 percent of the time."

Cost is perhaps the least understood and most controversial aspect of Asphalt-Rubber. A simple comparison of Asphalt-Rubber and conventional asphalt materials costs will show that Asphalt-Rubber material costs are higher. While this is true, these types of comparisons, which have been conducted by AASHTO, are fatally flawed because they do not calculate savings resulting from alternative designs allowed using Asphalt-Rubber and they do not calculate lifecycle cost savings. Additionally, AASHTO cost calculations provided to Congress do not reflect market changes resulting from increased competition, economies of scale and the expiration in late 1992 of the primary Asphalt-Rubber patents.

Opponents of the minimum use requirement in Section 1038, Mr. Chairman, have claimed that there may exist emissions and/or recyclability problems with this material. Mr. Chairman, these same concerns have been raised publicly for nearly 10 years while evidence has mounted that they are unfounded. The FHWA and the USEPA conducted an 18-month review of 20 years of research conducted on crumb rubber modifiers. They have found no evidence supporting these unfounded claims.

These unproven claims must be viewed in the context of standards being applied to other asphalt modifiers and in the context of the minimum use requirement. There has been no research conducted on the safety or recyclability of polymer-modified asphalt pavements, yet these newer materials are being widely accepted and used by State Departments of Transportation and within industry. There has been a double and unfair standard applied to crumb rubber modifiers relative to polymer modifiers. Opposition to the minimum use requirement has unfortunately and inappropriately been translated into opposition to greater use of Asphalt-Rubber and other crumb rubber modifier products.

Improved performance using CRM technologies has only been accomplished through a commitment to innovation by leaders in certain State Departments of Transportation and in the asphalt pavement contracting community. As with any emerging technology, there exists a learning curve for those dedicated to perfecting a superior technology.

As we have learned through the FHWA's Strategic Highway Research Program (SHRP), there are numerous factors which contribute to a successful asphalt pavement. These factors include mix design, asphalt composition, aggregate mix and source and many others. Not all States have experienced the increased performance associated with use of crumb rubber modifier. There have been project failures re-

sulting from inexperience with these products, poor design specifications and inappropriate construction methodologies.

The goal of Section 1038 of the 1991 Intermodal Surface Transportation and Efficiency Act (ISTEA P.L. 102-240) is to encourage greater use of these proven products—to transfer use of these technologies.

Since the adoption of the Intermodal Surface Transportation and Efficiency Act (ISTEA) of 1991, many States have begun experimenting with crumb rubber technologies. States, however, have expressed concern that the minimum use requirement (MUR) in Section 1038(d) are overly ambitious. The asphalt paving industry has expressed concern related to the need for greater understanding of the proper application of crumb rubber modifier (CRM) technologies. Various labor groups have voiced an interest in assuring worker health safety with use of CRM materials.

The House Committee on Public Works and Transportation considered all of these interests during the drafting of H.R. 4385, the National Highway System Reauthorization bill (NHS). The House of Representatives supported continued encouragement of States to use CRM technologies and other recycled materials in construction applications.

The majority-minority compromise to Section 1038 of ISTEA, as included in H.R. 4385, does reflect the concerns of industry and States. This compromise delays and reduces dramatically the State minimum use requirement for crumb rubber modifiers. The crumb rubber requirement has been delayed until 1996 to allow industry and States to gain experience with these materials and to answer questions they might have in the areas of performance, recyclability and worker health safety.

All of the members of the Coalition for the Responsible Use of Scrap Tires, groups associated with the production or use of materials in hot mix asphalt, have been involved in efforts during the past several months to find common ground with groups interested in encouraging greater use of crumb rubber modifier.

Our Association supports maintaining a small State minimum use requirement for crumb rubber modifier to encourage all States to experience using these materials in modest amounts in 1996 and 1997. Our industry has been subjected to an "on again; off again" Federal policy process related to State use of these materials.

This policy is negatively affecting private sector decisions regarding the investment of tens of millions of dollars and the subsequent creation of thousands of new jobs.

The Rubber Pavements Association urges your Committee, Chairman Baucus, to include the compromise position (Section 108, H.R. 4385) in the Senate Environment and Public Works National Highway System Reauthorization bill. Section 108 is a solid middle ground and a far superior alternative to another 1 year delay in implementing Section 1038 of ISTEA. If enacted, this provision will help our industry plan without ongoing Congressional uncertainty.

Thank you for your attention to the interests of the members of the Rubber Pavements Association.

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STATEMENT OF GARY SEIBERT, GIBSON COUNTY, INDIANA,

Please do not include the proposed I-69 extension from Indianapolis to Evansville in the National Highway System Plan for Indiana. Please do not appropriate any new monies or earmark any Indiana transportation dollars for this project, which is also referred to as the extension of I-69 from Indianapolis to Houston, TX.

Land is the Nation's most valuable non-renewable natural resource. We not only have to occupy the land but also live from it. At this year's meeting of the American Association for the Advancement of Science it was reported that land degradation will lead to a 20 percent decline in the world's food production during the next 25 years. The American Farmland Trust estimates that nationwide we are losing two

million acres of farmland per year to development of all types. Preliminary studies for the 100 miles of new construction for the I-69 extension estimate between 4,000 and 5,000 acres will be taken. Of this total, approximately 70 percent will be farmland, much of it prime farmland. Along the southern portion of the route additional farmland will be taken for borrow pits to raise the right-of-way above the 100 year floodplain.

In Gibson County alone, this proposed highway will impact five of the county's 14 dairy farms. Each of these farms has a gross annual income of over \$500,000. This money is turned over in the region's agriculturally dependent communities seven times. These are industries that will be damaged and are not even mentioned in the feasibility studies. This new terrain highway will destroy numerous other cash grain, poultry, and swine facilities. This highway will also negatively impact our local community by decreasing the property tax base and reducing the funds used to support our public schools and infrastructure.

Interstate transportation is not effective transportation for agricultural producers. Due to the volume of commodities in the grain belt States, truck transportation to markets more than 50 miles for large producers and 30 miles for small ones is very inefficient. The major markets must be served by, rail or barge. One rail car has the same capacity as four semitrucks and one barge container carries more grain than 52 semi-trucks. Several of these containers are combined in a tow. These figures hold true for other bulk commodities such as: coal, rock, and fuel. Industry realized the need for mass transportation over 20 years ago. Much freight that is moved long distances is accommodated by barge and rail, including piggyback rail, to within 30 to 50 miles of its destination before being delivered by truck.

The largest transportation problem facing agriculture today is obsolete county roads and highways—hauling grain, produce, livestock and machinery over bridges with four-ton limits and county roads that are posted to heavy traffic all winter or hauling to markets 30 miles away on broken blacktop, gravel and dirt roads. These are the problems farmers face every day. We also have to worry about school buses that have to detour several miles out of their way to avoid unsafe bridges, or worse yet, have them not avoid the bridges.

Interstate-64 cuts across all of southern Indiana, including the area where I live. When I-64 was being proposed we were told the same things we're being told now about I-69—it will bring jobs and economic development. In reality it only took our land and dried up the economy of many rural towns in Indiana and Illinois. We've seen first hand what an interstate can do and we don't want, or need, another one.

Our Nation has allowed itself to become vulnerable to weather patterns and energy blackmail. One inch of snowfall, a traffic accident, or even road repairs can nearly halt transportation. Our overpolluted cities are in violation of air quality standards, and one of the main contributors is auto exhaust. Meanwhile, highways are cluttered with vehicles containing one person, all going in the same direction. Building more roads just encourages people to drive more. Transportation officials and politicians need to pay close attention to cities like Los Angeles, Atlanta, and New York. Building more highways has certainly failed to solve the transportation problems of those cities. Every morning news media and police have to patrol with helicopters to report all the accidents and traffic jams, as well as the drive-by shootings.

Financially burdening our cities and States with new highways when they can't maintain the ones they have is not the way to economic prosperity. Our communities need better mass transit systems. Indiana's nickname, "The Crossroads of America", was coined in the early part of this century when we had the best inter-urban train system in the country. We can still learn from the past. We have no problem driving across the country but we frequently can't get across town. We are 20 years behind many other countries in our mass transit systems.

I would like to close by saying that building a new interstate is not going to solve transportation problems for my community. It will worsen them. The I-69 extension will consume thousands of acres of prime farmland, wetlands, woods and other natural areas. It will disrupt lives in many communities by cutting them off from neighbors and relatives. This highway will also encourage more people to drive while further degrading our air, water, and land resources. I ask you, Members of Congress, to consider, are we going to fix up the highways we have and then adapt to the 21st century with economical and environmentally safer mass transit, or should we continue with the highway building schemes of the 1950s?

I plead with you to remember—small, independent farmers need help, not road blocks. That is what the I-69 extension will be, a great dam that splits up our farms and separates our communities. We have a name for it when you take our homes, our farms, our natural resources, and our way of life and promise us pie-in-the-sky in return. It's called rural exploitation. We've heard it all before and we decline your offer. Thank you very much.



# SIERRA CLUB



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## COMMENTS OF THE HOUSTON SIERRA CLUB ON THE NATIONAL HIGHWAY SYSTEM BILL

These comments are submitted on behalf of the Houston Regional Group of the Sierra Club. Our 5,000 Houston area members recognize the key role which transportation plays in determining the quality of our environment, and quality of life.

ISTEA contemplates meaningful public participation, and the National Highway System ("NHS") is one of the most significant components of ISTEA. Yet, public participation was almost entirely excluded from the NHS designation process in Texas. We are gravely disturbed by the procedural and substantive issues relating to the inclusion of the "Grand Parkway" project in the NHS bill, and believe that the proposed NHS should be rejected, and the law modified to provide for: (1) a meaningful planning process; (2) full public participation in that planning process; and (3) equal consideration of all transportation modalities as part of a National Transportation System.

### 1. BACKGROUND - THE GRAND PARKWAY PROJECT

The Grand Parkway will be a massive freeway loop with a circumference of 190 miles. It will be our fourth beltway<sup>1</sup> and will circle Houston at a radius of about 40 miles from downtown, or about 16 miles beyond Beltway 8. The Parkway will pass through several counties, and cut almost entirely through rural land. The Parkway will cost an estimated two billion dollars.

Aside from its cost, the project poses troubling environmental and socio-economic issues. The Parkway will harm Houston by encouraging middle and upper class flight from the City. Indeed, the Parkway's whole purpose is to encourage development of adjacent land, and the "edge cities" which are already starting to ring Houston. Historically wealthy, the latest census data reveals that Houston is now the tenth poorest city in America, due to the flight of the middle class. The City contains over 90,000 acres of vacant land. Its development would add to our tax base, but is discouraged by pervasive sprawl.

The Parkway will also have severe environmental consequences. It will fill wetlands on the Katy Prairie west of Houston. Designated as a Biosphere of International Significance by the United Nations Environmental Program, the Prairie is the winter home

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<sup>1</sup> Loop 610 is the innermost, with a circumference of about 40 miles. Loop 610 is ringed by Beltway 8, which in turn is ringed by Highway 6 for most of the circumference of the City. Beltway 8's construction remains incomplete as of this date.

"When we try to pick out anything by itself, we find it hitched to everything else in the universe." *John Muir*



to the densest concentration of migratory waterfowl in North America. The Parkway will obliterate the last bottomland hardwoods near Houston. It will mean loss of habitat for endangered species like bald eagles, red-cockaded woodpeckers, and others. It will cut directly through Lake Houston State Park, meaning loss of park space. Increased vehicle traffic will worsen our already severe smog pollution.

## 2. NHS DESIGNATION PROCESS

Given the project's cost and the grave issues posed by it, the inclusion of the Parkway in the NHS is profoundly disturbing. This is especially true given the absence of meaningful public participation in the NHS designation process.

An engineer with the Region 12 office of the Texas Department of Transportation drew up the list of projects included in our region's NHS designation. There was no public hearing or public comment prior to the list's compilation. After TXDOT prepared the list, it was forwarded to the TXDOT office in Austin, again without intervening public participation. After TXDOT compiled a master list of NHS projects from the lists that it received from the TXDOT regional offices, TXDOT held one hearing in Austin on the Texas slate of projects for NHS inclusion.

The Houston region currently has about 540 miles of freeway. The Parkway alone will add to this by about thirty five percent (35%). The Parkway's NHS designation involved no analysis of its air quality, environmental or socio-economic impacts, in a region already suffering from problems in all of these areas.

In sum, if the treatment of the Grand Parkway is indicative of the way in which NHS designations were handled nationwide, there is reason to fear that the NHS may represent a compendium of pork barrel projects rather than a rational plan for our transportation needs. Surely the federal government should not undertake, with so little planning, commitment to a massive, expensive freeway system with dubious benefits and many likely harmful impacts.

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