

RAHALL *Report*

TRANSPORTATION FUNDING

by Congressman Nick Rahall

The Reagan Administration has presented Congress with a Highway/Mass Transit Assistance budget of \$3.2 Billion for mass transit and a highway budget of \$8 Billion for fy 1983. The underlying premise for these low funding levels is that primary responsibility for mass transit rests with the states and that reduced federal emphasis on roads will increase local attention to a more cost-effective use of highway funds.

****NOTE:** a further discussion of this measure and other bills before the House Public Works Committee is attached for your information.

I am concerned with these funding levels, especially with how they will impact the rural areas of this nation, like southern West Virginia.

Over the past few years, West Virginia has found fewer and fewer transportation alternatives to offer its citizens. We have lost a great deal of airline service due to airline deregulation. Rail passenger service is practically non-existent except for the Amtrak Cardinal route, which we managed to save on a part-time basis after it had been eliminated in last year's budget. And, there is the possibility that interstate bus service may be jeopardized in many areas of the State depending on how the bus deregulation bill comes out of the Senate.

In the budget proposals for highways programs, the Administration appears to be saying it has no responsibility for bridges, primary and secondary highways. These are the responsibility of the State--according to the Administration, but what happens when the States are unable to meet highways needs of its residents?

A recent study showed that West Virginia drivers traveling over rough and broken pavement costs them \$110 per year in wasted fuel. Some 4,900 miles of West Virginia road is in need of repair, and the Administration wants little to do in rectifying the situation.

Such a philosophy I believe is "anti-rural," and as a member of the House Public Works Committee, I plan to take a firm stand in support of higher funding levels that will benefit our State and its people.

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REPORT FROM Committee on Public Works and Transportation

U.S. HOUSE OF REPRESENTATIVES

With Compliments of
Congressman
Nick Joe Rahall, II
JAMES J. HOWARD, N.J., CHAIRMAN

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This is the first in a planned series of periodic reports on pending and prospective legislation before the House Committee on Public Works and Transportation during this second session of the 97th Congress. It is directed to State and local officials, as well as to private groups and individuals concerned with the formulation of a sound public works policy for the Nation and its constituent parts.

Events of the recent past have made it painfully clear that the infrastructure of our country--the foundation of basic public works that enables this complex continental economy to function--appears to be in serious trouble. Our highways and bridges are breaking down faster than we can replace or repair them; supplies of clean, plentiful water for our factories, farms, and homes are imperiled; our airport and airway system is desperately in need of modernization, as are the once flourishing lake and ocean ports on which our world trade depends; and our modes of public transportation are, by and large, little short of a national disgrace.

How best to treat these problem areas in a time of national belt-tightening demands the informed attention and concern, not only of this Congressional Committee, but of officialdom at all levels of government. To a very great extent, the future of the Administration's "New Federalism" hinges on how successfully we deal with these public works problems and how prudently we divided responsibility for their resolution among Federal, State, community, and private enterprise institutions.

Here, then, is the Committee's report, prepared in consultation with the Ranking Minority Member, California Congressman Don H. Clausen.

HIGHWAYS/MASS TRANSIT

In the first session of the 97th Congress, a one-year extension of the Federal-aid highway program was enacted, placing greater emphasis than in past years on repair and reconstruction of existing roads.

While the Administration and the Senate favored a multiple-year extension, the House maintained successfully that any major restructuring of the highway and mass transit programs would necessitate a more thorough and time-consuming study than would have been possible in the hectic closing weeks of the session.

Our one-year bill, H.R. 3210, The Federal-Aid Highway Act of 1981, authorized \$8.3 billion for fiscal year 1982, with an obligation

ceiling of \$8 billion. That authority expires on October 1, and the Committee is required, under the Congressional Budget Act, to report out new authorizations by May 15. To that end, our Subcommittee on Surface Transportation, chaired by California Congressman Glenn M. Anderson, with Representative Bud Shuster of Pennsylvania the Ranking Minority Member, is scheduling a series of public hearings to consider a variety of approaches to transportation policy for the 1980's and beyond. (Firm dates for these hearings will be announced shortly.)

We have determined from documents received from the White House that the intent of the Administration program is to transfer to the States all grants-in-aid programs for primary and secondary highways, highway safety construction, bridge replacement, and urban system highways.

For mass transit, the Administration position envisions the shift of operating assistance and capital grants control from Washington to States and communities.

The Administration's proposals will be given full and fair consideration in our forthcoming hearings, as will a number of alternative approaches originating within the Public Works and Transportation Committee and with other Members of Congress.

In developing highway and mass transit legislation this year, we will have to address a number of important issues. For one thing, we will have to decide whether to authorize these programs for one year or for a number of years. This will be influenced by a number of factors, including the Congressional budget process. Another key issue relates to the amount of funding that can be provided for these programs. The overall program structure will also be addressed.

Currently, the mass transit program is not authorized beyond fiscal year 1982, except for section 3 capital grants. The appropriate level of funding for mass transit in the future will undergo searching review and analysis in our hearings.

All of these proposals, whether originating on Capitol Hill or from the other end of Pennsylvania Avenue, will have to be weighed against both the stringency of our current budgetary situation and the undeniable needs of the Nation's creaking transportation system.

The Federal commitment to highways right now stands at just a bit over \$8 billion, even though we know it would take considerably more than that just to maintain our system in its present condition. And the latest report from the Department of Transportation estimates that it will cost a whopping \$41 billion for the repair and/or replacement of the 200,000 highway bridges that are on the verge of collapse or obsolescence all across America today.

Again, we have to set our current budgeting for urban and rural public transportation against the actual need. The latest estimate available to us is that the capital requirements of the Nation's transit authorities will amount to \$50 billion between now and 1991.

And all these figures, for highways, bridges, and public transportation, hold good only if we stop inflation dead in its tracks right now.

At present, the White House is proposing giving the States half of the 4 cents-per-gallon gasoline tax that goes into the Highway Trust Fund. One of the issues that Congress will have to resolve in our next highway bill is whether or not the Highway Trust Fund will be continued and, if continued, for how long. Moreover, Congress will have to decide an appropriate level of Trust Fund revenues.

In the recent past, the Department of Transportation has felt that there is a legitimate need for the tax in light of the substantial investment that will be required to restore and rehabilitate our deteriorating highway system. How this squares with reducing Trust Fund revenues, as the Administration has proposed, is one of the more difficult issues that the Committee will be facing.

The forthcoming hearings promise to be interesting and enlightening. Their progress will be reported to you in subsequent interim reports by the Committee on Public Works and Transportation.

WATER RESOURCES

At least six major legislative issues must be addressed during this session by the Subcommittee on Water Resources under the chairmanship of New Jersey Congressman Robert A. Roe, with Representative John Paul Hammerschmidt of Arkansas the Ranking Minority Member, of which port development and its funding will be given the first priority.

In the final hours of the first session, House and Senate conferees agreed on a four-year extension of funding authority for the sewage treatment construction grant program, providing \$2.4 billion for fiscal year 1982 and \$2.6 billion in each of the three succeeding years. We managed to maintain most of the existing grant eligibility rules through fiscal 1984, which gives the States and local communities time to adjust to the reduced Federal participation that will begin in fiscal year 1985. But as of this writing, no money has been appropriated for the current year and obtaining that appropriation is one of our first orders of business.

Port development and inland waterway legislation present many serious difficulties, centering around the big questions of "who pays?" and "how much?" Central to the Administration's concept of the new Federalism is the proposal that non-Federal interests pay, or repay, the full cost of building and maintaining ports, which traditionally has been a

Federal responsibility. The Administration also wants to impose user fees to recover 100 percent of Federal construction, maintenance, and operating costs of our inland waterways. Our Water Resources Subcommittee held several hearings on port development last session, and further hearings, which will begin very shortly, will continue to explore the Administration's proposals for funding port development, as well as the views of port authorities, shippers, and consumers who will be most affected. We also expect to be holding hearings soon on the inland waterway issue.

We are planning nationwide hearings on water resources development, which will enable us to obtain information on water resources problems facing both rural and urban areas. Traditionally, the Federal Water Resources Development Program has not focused on such urban needs as municipal water supplies, but has focused on projects for flood control, navigation, and hydro-electric power. We feel it is time to examine very closely the extent of the Federal interest in urban water resources problems in addition to those which have been traditionally addressed at the Federal level.

Our Water Resources Subcommittee also plans to hold hearings on the backlog of badly needed water resources projects for navigation, flood control, water supply, and other essential purposes which has been building up since 1976. About 100 such projects already have been approved by various field offices of the U.S. Army Corps of Engineers and sent on to Washington for review. We hope the Administration will get moving on them.

Following last year's basic rewrite of the Municipal Sewage Treatment Construction Grants Program, the Committee, this year, will examine the remainder of the Water Pollution Control Act to determine whether and what legislative changes are appropriate, including deadlines for industrial compliance with treatment standards, pretreatment of industrial wastes prior to their discharge into public sewage treatment plants, and section 404, which regulates the discharge of dredged and fill material into navigable waters.

We also will consider legislation to extend the authorization for the Federal Disaster Relief Program. One of the issues here is the amount of funds which States and local governments should be required to contribute to disaster relief. The Administration has proposed that States and local governments be required to contribute 25 percent to such relief costs. Our Committee has approved a bill for the President to lower the non-Federal share in some situations.

The Public Works and Transportation Committee also is pressing hard for House action on H.R. 3432, the Water Resources Policy Act of 1981, which would create a National Board on Water Resources Policy to supplant the Water Resources Council as the top Federal body on policy matters. This bill was reported out of Committee last year, and we believe it goes a long way toward the goal of meaningful and continued Federal/State cooperation in the formulation

of water resources policy. It would ensure a State role in the development of principles and standards for Federal participation in water projects and would provide for a program of Federal grants to the States for water management, conservation, development, and planning.

The Subcommittee will also be holding hearings during this session on the Tennessee Valley Authority, the Upper Mississippi River Basin Commission Master Plan, and the question of authorizing a second lock at Lock and Dam 26 on the Mississippi at Alton, Illinois.

AIRPORT AND AIRWAYS LEGISLATION

The Aviation Subcommittee, chaired by California Congressman Norman Y. Mineta, with Representative Gene Snyder of Kentucky the Ranking Minority Member, conducted extensive hearings last year on the state of the Nation's air transport system, out of which emerged the Airport and Airway Improvement Act of 1981. This Act, as reported with a Committee amendment, would authorize \$1.2 billion for airport and \$750 million for airway development for fiscal years 1982 and 1983. This funding would be taken from the Airport and Airway Trust Fund, which is financed by taxes paid by users of the system. The Act has been reported out by the Committee and awaits action by the Ways and Means Committee on funding for the Trust Fund.

The reported bill will fund the initial stages of the substantial development which will be required to insure that our airport system continues to be safe and able to accommodate the increased traffic which is expected during the 1980's. The required development includes an upgraded facilities and equipment program, including replacement and modernization of radar and computer systems which were developed in the 1960's. In addition, more than \$8.7 billion of airport development will be needed over the next five years to accommodate increased traffic safely and efficiently. Should additional authorizations be required beyond the levels included in the reported legislation, they will be thoroughly considered by the Committee.

Under the Committee bill, all airports presently eligible for the program would remain eligible for funding, as contrasted with the Senate bill, S.508, which would make the Nation's 69 largest airports ineligible for funding.

The Committee strongly believes that all airports should remain in the program if we are to accomplish the capital development needed by the National airport system. The 69 largest airports, which the Senate bill would "defund," are the heart of the system and produce 86 percent of total airline passengers, who contribute 84 percent of the total revenues received by the Trust Fund.

The ADAP program has furnished more than 38 percent of the capital budgets of the 69 largest airports. There is no easy way to replace these revenues. In recent months, bonding has generally been unavailable or prohibitively expensive. Higher landing fees or other user charges are possible in the cases of some of the large airports, but at other airports, contractual arrangements give airlines a veto power over higher fees, and it is difficult to get airline agreement on many capital development projects, particularly projects which benefit non-airline users, such as general aviation. A direct charge by the airports on airline passengers is also a

possibility, but this could create major administrative burdens on the sellers of airline tickets, such as travel agents, who would have to calculate and remit the differing charges imposed by the various airports.

The ADAP program has proved to be the most efficient method of collecting and distributing user funding for necessary capital development at major airports. The Committee strongly believes that the program should continue to be available for all airports.

INTERCITY BUS REGULATION

The intercity bus industry is the last major segment of the Nation's transportation system remaining under Federal regulations designed a half-century ago to deal with conditions and a traveling public vastly different from those of today. Last November, by a vote of 305 to 83, the House approved this Committee's Bus Regulatory Reform Act of 1981, which frees the industry from the most burdensome and outmoded of those regulations.

As in the case of airlines and trucking, which were "unburdened" by previous Committee legislation, this bill provides for regulatory reform, not total deregulation.

In framing this legislation, the Committee took pains to insure easier entry standards for all types of interstate bus operations, while making certain that the safety of the traveling public was protected and that the carriers would be required to have adequate insurance coverage.

Protections were written into the regulatory reform package to insure that bus charter operations will not be used to siphon off highly profitable routes from regular route services. In addition, the impact on commuter operations in the discontinuance or reduction of service has been made a factor for consideration by the Interstate Commerce Commission.

The bill must now be considered by the Senate, which has scheduled hearings in March.

COAL SLURRY

H.R. 4230, The Coal Pipeline Act of 1981, jointly referred to the Interior and Public Works Committees, has been reported out by the Interior Committee and is currently pending in the Surface Transportation Subcommittee. Early action is expected, perhaps by Spring. The central issue in this legislation, as in similar measures considered in previous years, is whether coal slurry pipelines should be allowed to use the Federal power of eminent domain to secure rights of way for their construction. There are other important issues, such as the amount and source of water to be used for the slurry, and the disposition of the water at the pipeline terminus.

DRUNK DRIVING

H.R. 2488, a bill to establish a comprehensive alcohol-traffic safety program in each State, is now pending before the Committee with the signatures of more than 100 cosponsors, including that of the Committee Chairman. This bill would impose

minimum Federal standards defining drunk driving, backed by penalties that each State would be required to enforce or lose its share of Federal highway safety funding.

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In a subsequent issue, the Committee will bring you up to date on these and other current legislative issues, which will include an overview of the Motor Carrier Act of 1980.

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CURRENT STATUS OF LEGISLATION

Aviation

H.R. 2643, The Airport and Airway Improvement Act of 1981. Reported to House (amended) by this Committee 5/19/81 (Rept. No. 97-24 (Pt. II)); reported to House (amended) by House Committee on Science and Technology 4/27/81 (Rept. No. 97-24 (Pt. I)). Senate bill S.508 reported 5/15/81 (S.Rept. 97-97).

H.R. 5103, Civil Aeronautics Board Sunset Act of 1981. Pending, Subcommittee on Aviation.

H.R. 3404, Independent Safety Board Act Amendments of 1981. Reported to House (amended) by this Committee 5/19/81 (Rept. No. 97-108 Pt. II); reported to House (amended) by House Committee on Energy and Commerce 5/19/81 (Rept. No. 97-108 (Pt. I)). Senate bill S.1000 reported 4/23/81. Passed Senate 5/4/81. Signed by President 11/3/81 (Public Law 97-74).

Surface Transportation

H.R. 3210, Federal-Aid Highway Act of 1981. Reported to House (amended) 5/19/81 (Rept. 97-92). Passed House (amended) 377-25, 9/24/81. Passed Senate (amended) by voice vote 11/16/81. House concurred in Senate amendments, with amendments, by unanimous consent 12/15/81. Senate agreed to House amendments to Senate amendments on 12/16/81. Signed by President 12/29/81 (Public Law 97-135).

H.R. 3663, Bus Regulatory Reform Act of 1981. Reported to House 11/17/81 (Rept. 97-334). Passed House (amended) 305-83, 11/19/81. Referred to Senate Committee on Commerce 11/20/81.

H.R. 3420, Pipeline Safety Authorization Act of 1981. Reported to House by this Committee 5/19/81 (Rept. 97-89 (Pt. I)); reported to House by House Committee on Energy and Commerce 5/19/81 (Rept. 97-89 (Pt. II)). Passed House by voice vote 6/1/81. S.1099 passed Senate 6/2/81 (S.Rept. 97-74). Passed Senate (amended) 7/17/81 by voice vote.

H.R. 3403, Hazardous Materials Act Amendments of 1981. Reported to House (amended) by this Committee 5/19/81 (Rept. No. 97-87 (Pt. II)). Reported to House (amended) by House Committee on Energy and Commerce 5/19/81 (Rept. 97-87 (Pt. I)). Passed House (amended) 410-2. Senate bill S.960 reported 5/15/81 (S.Rept. 97-99).

H.R. 4230, The Coal Pipeline Act of 1981. Reported to House by House Committee on Interior and Insular Affairs 1/29/81 (Rept. 97-423). Pending Subcommittee on Surface Transportation, Committee on Public Works and Transportation.

H.R. 2488, to establish a comprehensive alcohol-traffic safety program in each State. Pending, Subcommittee on Surface Transportation.

Water Resources

H.R. 4503, Municipal Wastewater Treatment Construction Grant Amendments of 1981. Reported to House (amended) 10/9/81 (Rept. 97-270). Passed House (amended) 382-18, 10/27/81. Passed Senate (amended) by voice vote under S.1716, 10/29/81. Conf. Rept. 97-408 filed in House 12/16/81; House and Senate agreed to Conf. Rept. by voice vote on 12/16/81. Signed by President 12/29/81 (Public Law 97-117).

H.R. 3537, to amend the Disaster Relief Act of 1974. Reported to House 5/19/81 (Rept. 97-96). Senate bill S.1212 reported 5/15/81 (S.Rept. 97-118).

H.R. 3432, to amend the Water Resources Development Act of 1974 relating to planning and evaluating water resources projects, and for other purposes. Reported to House (amended) by this Committee 5/19/81 (Rept. No. 97-104 (Pt. I)). Reported to House (amended) by House Committee on Interior and Insular Affairs 7/17/81 (Rept. No. 97-104 (Pt. II)). Reported to House (amended) by House Committee on Agriculture (Rept. No. 97-104 (Pt. III)). Senate bill S.1095 reported 5/15/81 (S.Rept. 97-120).

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FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AT 202/225-4472 (Majority) or 202/225-9446 (Minority); OR THE FOLLOWING SUBCOMMITTEES:

Aviation	202/225-9161
Economic Development	202/225-6151
Investigations & Oversight	202/225-3274
Public Buildings & Grounds	202/225-9161
Surface Transportation	202/225-4472
Water Resources	202/225-0060

If you have concerns or views you wish to express on legislation pending before this Committee, it is requested that you forward them to the Committee. Mail should be addressed to:

Committee on Public Works and
Transportation
2165 Rayburn House Office Building
Washington, D.C. 20515

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