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Testimony

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TRANSPORTATION INFRASTRUCTURE

Department of Transportation Highway and Mass Transit Program Reauthorization Proposals

Statement by
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Before the
Subcommittee on Surface Transportation
Committee on Public Works and Transportation
United States House of Representatives

GAO/T-RCED-91-26

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Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to present our views on the proposed Surface Transportation Assistance Act of 1991. This 5-year, $105 billion package would reauthorize highway and highway safety programs at $89.1 billion and mass transit programs at $16.3 billion. Our testimony today is based on ongoing and completed work at the Federal Highway Administration (FHWA), the Urban Mass Transportation Administration (UMTA) and the National Highway Traffic Safety Administration (NHTSA). We will focus on those aspects of the Administration's reauthorization proposal that concern future federal spending, consolidation of highway programs, increased funding flexibility between mass transit and highways, and the outlook for highway safety.

In summary:

-- Under the Administration's proposal, highway and highway safety programs would experience real growth--an increase in purchasing power when inflation is considered--over the next 5 years when compared to the funding provided by the Congress over the last 5 years. Mass transit funding, however, would decline in real terms compared to the last 5 years. Federal funding for transit assistance has declined in real terms by about 50 percent over the last 10 years.

-- Highway and mass transit authorizations could be increased above the Administration's proposal. Using Administration revenue projections for the Highway Trust Fund, highway and mass transit authorizations could be increased by $5.1 billion and $2.2 billion, respectively, above the proposed levels over the next 5 years.

-- Pressures for budget deficit reductions will likely dim the prospects of obtaining large increases in program funding levels. For example, most increases in the highway program are planned for fiscal years 1994 and 1995. In 1995, the highway program will have to compete with all federal discretionary programs, including defense, for the limited funds available. Backloading the bulk of the proposed increases into the later years raises questions about whether the proposed increased spending levels will actually be realized.

-- If a significant reduction in the federal matching share occurs, we believe it should be phased-in over time. Some states and local governments, as well as transit authorities, may not be able to raise additional matching funds in the near future. Therefore, it may be difficult for them to realize the full benefits of the proposed federal funding increases.

-- Consolidating most categorical highway programs into a two-tiered system--an upper tier for highways of national significance and a lower tier for other federal-aid roads--would allow states greater flexibility to target their federal dollars to address their individual needs. However, more can be done to ensure that states adequately attend to Interstate preservation needs in the face of burgeoning Interstate capacity needs, and that bridge funds are targeted to the most deficient bridges.

-- We support a multi-modal investment strategy to address the nation's highway and mass transit needs. However, our preliminary work indicates that a number of obstacles need to be overcome to eliminate the biases that tend to favor highway project selection over mass transit. For example, it is generally easier to demonstrate the benefits of increased highway capacity compared with increased transit capacity. As a result, federal guidance will be needed to assure both highways and transit have equal opportunities to take advantage of funding flexibility.

-- Existing state highway programs and NHTSA's Motor Carrier Safety Assistance Program will continue to be the cornerstones for the support of national highway safety efforts. However, significant strengthening of FHWA enforcement of motor carrier safety is needed to ensure safe operation of commercial vehicles.

PROPOSED FUNDING INCREASES WILL BE AFFECTED BY SPENDING CAPS AND OBLIGATION CEILINGS

Compared with the funding provided over the previous 5 years, and accounting for inflation, highway and highway safety program funding would experience real growth in the next 5 years, while transit funding would decline. The Administration proposes authorizations of $86.8 billion for highways between fiscal years 1992 and 1996, $16.3 billion for mass transit, and $2.3 billion for FHWA and NHTSA highway safety programs. Assuming that the Congress appropriates the same amounts authorized in the Administration's proposal, highway and highway safety programs would experience real growth of 3.8 and 14.0 percent, respectively, while mass transit funding would decline 16.6 percent.

Federal mass transit funding has steadily declined over the past decade. Annual federal funding for mass transit declined about 30 percent--from $4.6 billion in fiscal year 1981 to $3.2 billion in fiscal year 1991. When measured in constant dollars, funding for transit assistance has declined by about 50 percent over the last 10 years. To maintain the same purchasing power today that was provided by the $4.6 billion level in 1981, the present funding level would have to be about $6.4 billion.

As attachment I shows, the highway account of the Highway Trust Fund will accumulate $8.1 billion more than its commitments by the end of fiscal year 1996, assuming 2 additional years of revenue collections as required by the Byrd Amendment. As a result, highway authorizations could be increased over the proposed funding levels, using Administration revenue projections. FHWA has indicated that a safety cushion of about $3 billion is needed in the highway account to guard against unforeseen decreases in highway user tax revenues or inaccurate revenue projections. Therefore, an additional $5.1 billion could be authorized for highway programs while still providing for this cushion. Likewise, as attachment II shows, the transit account will accumulate $2.7 billion more than its commitments by the end of fiscal year 1996, assuming 1 additional year of revenue collections as required by the Rostenkowski test of the Byrd Amendment. This $2.7 billion would consist of $400 million in uncommitted funds and $2.3 billion in projected revenues under the amendment. Assuming a $500 million safety cushion, an additional $2.2 billion could be authorized between fiscal years 1992 and 1996.

However, pressures for budget deficit reduction will likely dim the prospects of obtaining the Administration's proposed spending levels. The Budget Enforcement Act of 1990 (BEA) established limits on both budget authority and outlays for discretionary program spending in fiscal years 1991 to 1995 to control federal spending and consequently budget deficits.[1] Highway, mass transit, and safety program spending may be provided

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[1]In fiscal years 1991 to 1993 there are separate budget authority and outlay limits in 3 categories: domestic, international, and defense. In fiscal years 1994 and 1995, there are budget authority and outlay limits on total federal discretionary spending.

in the form of annual appropriations or contract authority.[2] Appropriations are subject to both budget authority and outlay limits (caps). While contract authority is not subject to the budget authority cap, traditionally obligations and outlays resulting from contract authority are determined by obligation limitations set in the annual Transportation Appropriations Acts. Contract authority outlays are therefore subject to the BEA outlay cap.

Since mass transit and highway safety programs contain elements that will be subject to BEA's limits on both budget authority and outlays between fiscal years 1992 and 1995, it is questionable whether the authorization levels proposed by the Administration will actually be realized. Similarly, highway program spending, which is provided by contract authority, will be subject to BEA limits on outlays. Most highway program increases are planned for fiscal years 1995 and 1996. In fiscal year 1995, a single domestic discretionary outlay limit will be in place. Backloading the bulk of these increases into the later years raises questions about whether the proposed level of highway authorizations will actually be realized.

The Administration proposes shifting the funding sources for a number of surface transportation programs from general revenue to the Trust Fund. UMTA would fund all mass transit programs from the Trust Fund, eliminating any use of general revenues. Although appropriations from general revenues have been the predominant source of federal funds for mass transit projects, the percentage of funding from the mass transit account of the Highway Trust Fund

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[2]Contract authority is contained in federal-aid highway authorization acts and is made available to spend before an appropriation is provided. Contract authority is not included under the discretionary budget authority limit since that authority is provided by authorizing legislation rather than highway and mass transit appropriation acts.

has increased in recent years. Since 1983, when the Congress established it, about 30 percent of UMTA's funds have come from the account and the remainder from general revenues. UMTA projects that the mass transit account and interest would be sufficient to fund the $16.3 billion proposed through fiscal year 1996. Similarly, funding for NHTSA's Operations & Research program--which had been partially funded by the Trust Fund--will now be funded entirely from the Trust Fund, with proposed authorizations of $636 million over 5 years. FHWA's operations and research funds for its motor carrier safety assistance programs, with proposed authorizations of $246.6 million over 5 years, would also be shifted from general revenues to the Trust Fund.

REDUCTIONS IN FEDERAL COST SHARES FOR HIGHWAY AND TRANSIT PROJECTS SHOULD BE PHASED-IN

The Administration's proposal would shift a larger share of the burden of financing highway and transit programs to states and grantees in a number of areas. For example, the federal funding share for urban, secondary and a substantial portion of the primary system would be reduced from 75 to 60 percent, mass transit capital project shares from 80 to 60 percent, NHTSA safety formula grants from 75 to 60 percent, and motor carrier safety program grants from 80 to 75 percent.

Greater cost sharing promotes leveraging of scarce federal funds, and can encourage states and grantees to seek more cost-beneficial projects, explore more cost-effective capital investment alternatives, and minimize waste and misuse of federal funds. However, we believe that any reductions in the federal share, as the Administration proposes, should be phased-in over time. Increased matching requirements may make it difficult to actually realize the benefits of any proposed federal funding increases because some states and local governments, as well as transit authorities, may not be able to raise additional matching funds in the near future. According to the National Conference of State Legislatures, 31 states face budget deficits in the current fiscal year. Virtually all of the states have raised gasoline taxes over the last 10 years to meet existing needs and may find it difficult to raise them again to meet the new matching requirements.

In addition, as attachment III shows, states already on average finance the construction and maintenance of 78 percent of our highways. As a result, states with relatively high gasoline taxes, large geographical areas and smaller populations, as well as those with weak economic bases, may face difficulties in assuming more financial responsibility through a significant reduction in the federal share for federal-aid highway projects. Finally, individual transit authorities could find reduced federal participation particularly burdensome and counterproductive to their efforts to attract riders if they must look to transit users, including the elderly and handicapped, to make up the difference.

Toll Financing Is Helpful But Is Not A Financial Panacea

We recently reported that the Toll Facilities Pilot Program has demonstrated that tolls, while not a financial cure-all, can help states increase the total amount of state funds available for highway construction and maintenance on selected federal-aid highways.[3] However, our work shows that keeping the federal financial participation on toll projects significantly lower than that set for non-toll federal-aid highway construction is important. A high federal share could lead to an overuse of tolls on the federal-aid highway system. A lower federal funding share for toll projects will most likely limit toll use to roads with a high volume of traffic that generate sufficient revenues to make them financially feasible. Therefore, while the use of toll

[3] Highway Financing: Participating States Benefit Under Toll Facilities Pilot Program (GAO/RCED-91-46, Dec. 17, 1990).

financing as an additional revenue source would benefit selected highway projects, we would caution against viewing this method as a panacea for federal-aid highway financing because of its potentially limited applicability.

PROGRAM RESTRUCTURING BETTER FOCUSES FEDERAL ASSISTANCE BUT NEEDS STRENGTHENING

Our work suggests that the proposed restructuring of the federal highway program into two tiers--a National Highway Program (NHP) and an Urban/Rural Program--will better focus federal assistance on highways of critical importance to the nation. This contrasts sharply with the current program which provides federal assistance through several separately funded categorical programs including the Interstate, Interstate 4R (I-4R)[4], primary, secondary, and urban programs. In addition, through the increased funding flexibility offered, a restructured program will allow states to better target federal assistance to address their critical needs. The Administration's highway reauthorization proposal also addresses the need to draw states' attention to preservation of the Interstate Highway system by establishing a higher federal share for Interstate preservation activities compared with capacity enhancement activities. However, more can be done to ensure that (1) states adequately attend to Interstate preservation needs in the face of burgeoning Interstate capacity needs, and (2) bridge funds are targeted to the most deficient bridges.

Program Restructuring Will Better Focus Federal Highway Funds

To better focus federal funds on highways important to the nation and maximize state flexibility in using federal highway

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[4]Interstate resurfacing, restoration, rehabilitation, and reconstruction. These funds are used for Interstate preservation and capacity enhancement.

funds, the Administration's proposal would restructure the federal-aid highway program into an essentially two-tiered system. The first tier, the NHP, would consist of approximately 150,000 miles of highway, including the Interstate system and a portion of the primary highway system. The second tier would be funded by a new block grant--the Urban/Rural Program.

Our work has shown that consolidating program categories into a more flexible system would allow states to customize their spending of federal funds. We reviewed a demonstration program authorized in 1987 by the Congress in which five states--California, Minnesota, New York, Rhode Island, and Texas--were allowed to pool money from the urban, secondary, and bridge programs and use the funds on any one or a combination of the three programs.[5] At the time of our June 1990 report, we found that three states had taken advantage of the funding flexibility to target a substantial portion of their pooled funds towards a particular program area.[6] Our ongoing examination of states' use of transfers of funds between program categories further supports the benefits of a more flexible program. Currently states are permitted to transfer a limited percentage of their federal highway funds between certain program categories.[7] Thirty-five states have taken advantage of these provisions to transfer over $800 million over the last 3 fiscal years.

The Administration's proposed two-tier system would offer some of the flexibility currently sought by states through fund

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[5]Transportation Infrastructure: States Benefit From Block Grant Flexibility (GAO/RCED-90-126, June 8, 1990).

[6]The remaining two states, which began participating later than the others, also expect to realize benefits during the remainder of the demonstration.

[7]For instance, currently a state may transfer 20 percent of its I-4R funds to the primary program. A higher percentage may be transferred with FHWA approval.

transfers. In particular, states would be permitted to transfer 15 percent of their National Highway Program funds to the Urban/Rural Program. Our work has shown that states have identified some of their more significant needs on roads which may be in the Urban/Rural tier and not the NHP. As attachment IV shows, most fund transfers occurring over fiscal years 1987-90 were from the Interstate 4R Program--which will be part of the NHP--to the primary highway program--a substantial portion of which will be placed in the Urban/Rural Program. Since states have identified significant needs on the primary highway system, we support the Administration's proposal to allow fund transfers to the lower tier.

No Assurance Exists That Interstate Preservation and Maintenance Needs Will Be Met

The Administration's proposed highway program recognizes the importance of Interstate preservation by allowing a 90-percent federal share for preservation-type activities as compared to 75-percent share for reconstruction. While this is an important step, it may not be enough. In 1989, the Department of Transportation (DOT) reported that $4.7 billion to $6.1 billion a year would be needed between 1987 and 2005 by all levels of government to address Interstate preservation and capacity needs. In addition, DOT estimated that between 1987 and 2005, up to 50 percent of these investment requirements would be for Interstate capacity enhancement in the form of major lane widening projects. Under the Administration's proposal, the states will continue to have wide latitude in selecting and programming preservation and capacity enhancement projects. In light of competing capacity enhancement and preservation demands, there are no assurances that the approximately $130 billion investment in the Interstate system will be protected.

The Administration proposes that if the Secretary of Transportation finds that states are not adequately maintaining the Interstate system, the Secretary may require states to program NHP funds to bring their Interstate highways up to adequate condition. However, FHWA has not established standards defining what constitutes adequate Interstate maintenance. In reviewing Interstate maintenance, we found that four of seven states reviewed had significant maintenance backlogs in areas that adversely affected the structural integrity of roadways and bridges and the safety of the motoring public.[8] FHWA certified that maintenance was adequate in these four states; however, we question the basis for such certifications in the absence of measurable standards. We agree that a single, uniform national standard would be excessively rigid and difficult to develop and enforce given the different climates, resources, maintenance practices, and levels of Interstate vehicle traffic between states. These standards must be flexible, and are thus best developed at the state level, as some states are doing. Developing maintenance standards would more clearly delineate the state responsibility to the Interstate Highway System, and greatly assist FHWA's efforts to ensure those responsibilities are fulfilled.

When we testified before this Subcommittee in April 1990,[9] we stated that the Congress might wish to consider redefining the range of activities eligible for I-4R Program funding to encourage states to give more attention to certain maintenance activities directed at preserving Interstate pavement, such as joint and crack

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[8]We selected the 7 states to provide a variety of pavement conditions, geographic balance, and Interstate usage. These states account for over 22 percent of the total Interstate lane-miles and 34 percent of the nation's vehicle miles travelled.

[9]Preserving the Interstate System (GAO/T-RCED-90-68, Apr. 24, 1990).

sealing. The Administration proposes allowing states to use their National Highway Program funds for maintenance on the Interstate system. This proposal would give states much needed flexibility to select, from among the entire range of preservation activities, the most appropriate and cost-effective preservation treatments without the artificial constraints of federal funding eligibility. Timely preventive maintenance delays the need for costly I-4R projects such as rehabilitation and resurfacing. As such, expanding eligibility could ultimately delay or save federal preservation expenditures.

We will soon issue a report to the full Committee on state and federal efforts to maintain and preserve the Interstate Highway system, conducted at the request of the Chairman and Ranking Minority Member. We plan to identify several legislative and programmatic changes which the Congress may wish to consider as it deliberates the future federal role in preserving the Interstate system.

A Level-of-Service Methodology Would Better Target Federal Funds for Bridge Improvements

In 1989, DOT reported that 40 percent (about 238,000) of the nation's approximately 578,000 bridges were structurally deficient or functionally obsolete and that over $50 billion would be needed to bring them up to current standards. Since 1987, the federal government has authorized states to spend about $1.4 billion a year to replace or rehabilitate bridges. Under the Administration's proposal, apportioned bridge funds over the next 5 years will range from $1.6 billion to $2.3 billion a year.

The Administration has proposed that FHWA adopt a Level-of-Service (LOS) methodology to identify deficient bridges eligible for federal funding. Our ongoing work for the Senate Environment and Public Works Committee suggests that LOS is significantly more effective in identifying deficient bridges than FHWA's current methodology--called the sufficiency rating--because it not only establishes adequacy criteria for bridges on different classes of highways, but gives more adequate consideration to traffic volume and detour length.[10] However, FHWA does not plan to take full advantage of the benefits that LOS can provide.

Under its LOS methodology, FHWA does not plan to gauge the magnitude of problems with each bridge by assigning a numerical score based on its deficiencies. Consequently, all deficient bridges that FHWA identifies as being eligible for funding will be considered equally deficient regardless of the extent of their deficiencies. If FHWA assigned each bridge a deficiency rating and ranked the bridges from most to least deficient, it could link the most deficient bridges with the available resources and categorize them by highway system. By using LOS to make this type of analysis, FHWA could provide the Congress more accurate information to target federal dollars to highway systems that have the most critical bridge needs.

Our analysis of the National Bridge Inventory using a LOS methodology shows that the Administration's proposal could better target bridge rehabilitation funds to areas of greatest need. The Administration proposes requiring states to spend between 10 and 25 percent of their federal bridge funds on local, primarily off-system, bridges. Our LOS analysis showed that 72 percent of the proposed bridge funding would be needed for NHP bridges, about 27 percent for Urban/Rural bridges, and only about 1 percent for local (primarily off-system) bridges. Thus 10 to 25 percent of the

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[10]Functional classification groups streets and highways according to the service they are intended to provide. The hierarchy of functional classification consists of principal arterials (for main movement), minor arterials (distributors), collectors, and local roads and streets. The roads making up the functional classifications differ for urban and rural areas.

federal bridge funds is proposed to be allocated to those bridges that have about 1 percent of the need.

OBSTACLES EXIST TO IMPLEMENTING MULTI-MODAL FLEXIBILITY

The Administration's proposal would provide greater flexibility to state and local governments in allocating federal funds between mass transit and highway projects. The proposal would allow a state to use its Urban/Rural Program funds for transit projects, and certain of its mass transit account funds for highway projects. We support a multi-modal strategy to address surface transportation infrastructure and congestion needs. However, several obstacles could threaten the success of multi-modal funding.

First, as we reported in 1988, the ability to successfully implement an intermodal strategy is not well served by DOT's practice of preparing separate budgets and needs studies for highways, bridges, and mass transit.[11] DOT's approach precludes the effective ranking of intermodal needs and development of an integrated transportation strategy. Therefore, the federal government's ability to successfully implement intermodalism may be limited by the lack of a long-term investment strategy.

Second, the preliminary results of our ongoing review for the Senate Environment and Public Works Committee suggests that the criteria used to assess highway and transit projects may not easily facilitate choices between the two modes. While DOT envisions a cooperative federal, state, and local planning effort between mass transit and highways, the criteria used to assess transit and highway projects may make it difficult to choose between the two

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[11] Transition Series: Transportation Issues (GAO/OCG-89-25TR, November 1988).

modes. In general, highway criteria are oriented toward the movement of vehicles, while transit criteria are oriented toward the movement of people. To put it another way, transit's objective is to move people out of their cars, while a highway goal is to build roads that can accommodate more and more cars. It is generally easier to demonstrate the benefits of increased highway capacity over increased transit capacity because the benefits of constructing new highways or additional lanes are more visible and tangible than the benefits of acquiring additional buses. Guidance to the states on conducting such analyses between transportation modes may be needed to successfully implement highway/mass transit funding flexibility.

Finally, most of UMTA's assistance is provided directly to local transit authorities, while highway assistance is provided to the states. At the state and local levels, transit funding will remain primarily with urban areas and highway funding with the states. Coordinated planning and project selection between federal, state, and local officials will be difficult, and the mass transit industry is concerned that states will place greater attention and emphasis on highways to the detriment of mass transit. The Administration has proposed minimizing this by providing for a consistent federal share, 60 percent, between the mass transit capital program and the Urban/Rural highway program. Our ongoing work will evaluate this and other approaches. To avoid modal bias with highways and meet the flexibility envisioned in the proposal, it will be important to ensure that both highways and mass transit have equal opportunities to take advantage of funding flexibility.

KEY HIGHWAY AND VEHICLE SAFETY PROGRAMS WILL CONTINUE

The Administration's proposal will continue the State and Community Highway Safety Section 402 Program and the Motor Carrier Safety Assistance Program (MCSAP), which are aimed at improving highway and vehicle safety and reducing highway fatalities. In 1990, the fatality rate was less than 2.1 per 100 million vehicle miles traveled--40 percent less than it was in 1980. Because vehicle miles traveled continue to increase, however, fatalities also will rise unless the rate is reduced even further.

Reducing the fatality rate and number of deaths will not be easy because of the 3.8 million miles of road and the randomness of highway accidents. Also, an FHWA official has acknowledged that neither the federal government nor the states currently have economical and timely access to the data needed to identify highway safety problems, effectively direct highway safety research, develop sound safety policy, and accurately determine the effectiveness of safety programs. The Administration's proposal does not specifically address how these data limitations will be overcome.

State Highway Safety Programs

The Administration proposes funding the Highway Safety programs (NHTSA and FHWA 402, alcohol incentive grants, and motor vehicle and traffic safety programs) at $1.6 billion for fiscal years 1992-96. After accounting for inflation, this represents a 6-percent increase over the previous 5-year period, divided evenly between fiscal years 1992-96. The federal matching share, however, would be reduced from 75 percent to 60 percent.

The Administration proposes a new program of Safety Bonus grants, which will be added to the existing section 402 state and community grant program. The bonus grants will be allocated to states that meet certain highway safety criteria, such as implementing a mandatory seat belt law, complying with federal alcohol incentive programs previously authorized in sections 408 and 410 of Title 23, and reducing the state fatality rate. We agree with the general principle of the federal government's providing financial incentives to states for the adoption and implementation of various highway safety measures. While the safety bonus grant plan seems reasonable, conceptually we have two specific concerns with the proposal.

First, we are concerned about how state compliance with federal criteria will be measured, since our ongoing work for the Senate Environment and Public Works Committee has shown that program evaluation in the areas mentioned in the proposal is imprecise. For example, one bonus grant criterion relates to safety belt usage rates. The Administration's proposal states that the Secretary of Transportation will establish a qualifying goal (for those states not having mandatory safety belt use laws) that at least 70 percent of drivers and front-seat passengers are belted. In the absence of any discussion of how the criterion would be established, or what evaluation methodology would be employed, we question whether the Secretary will have any assurance that states are, in fact, in compliance. Our current evaluation of the effectiveness of safety belts and mandatory use laws indicates that there can be substantial variation in the results of belt usage surveys, depending on how, where, and when they are performed.

Second, we have noted a potential problem with using fatality rates as a safety bonus criterion, as the Administration proposes. Certain geographic or demographic factors affect state fatality rates independently of state highway safety efforts. For example, more than half of all fatal accidents occur on rural roads. States that have a high proportion of rural roads therefore are likely to have a high fatality rate relative to more urban states, irrespective of the content of their highway safety programs. Accordingly, we see an equity issue in that some states could automatically qualify for safety bonuses without any improvement in their highway safety program, while other states which traditionally have had higher fatality rates will have a difficult time competing for those funds. Basing safety bonus funds on fatality rates seems to reward states for chance circumstances of geography and demographics.

Motor Carrier Safety

FHWA's motor carrier safety programs are involved with commercial truck and bus safety. FHWA provides MCSAP grants to states to reduce the number and severity of accidents involving commercial motor vehicles. The Administration's proposal would fund MCSAP and FHWA's motor carrier safety operations and research functions at $687 million for fiscal years 1992 through 1996, compared with $408 million for fiscal years 1987 through 1991. After accounting for inflation, this represents an increase of 39 percent. The Administration's proposal would also reduce the federal share of eligible MCSAP activities from 80 to 75 percent.

The Administration's proposal adds several new initiatives to MCSAP including truck size and weight enforcement, drug awareness and enforcement programs, and the design, development and implementation of a new commercial motor vehicle information system to account for vehicle registration fees and taxes. It is not clear at this time how much funding will go toward these new initiatives. However, we note that MCSAP will be funded at $60 million in fiscal year 1992, which is less than the fiscal year 1991 appropriation. This raises concerns about whether the existing levels for traditional safety activities in the states can be maintained, at least in the early years of the reauthorization.

The Administration's proposal continues existing federally mandated weight and length limits for trucks using interstate highways. It continues to grandfather-in permission for trucks longer and heavier than the federal standards (commonly known as longer combination vehicles) to operate in states where they were used prior to the federal standards. While not part of the

Administration's proposal, permitting longer combination vehicles greater access to the highways will be an emerging issue. At the request of this Subcommittee, we are reviewing longer combination vehicle safety issues, such as driver training and qualifications, state permit systems, and state methods to enforce size and weight limitations. Our final report will be issued in late 1991.

The Administration's proposal adds two provisions to provide uniformity in Interstate motor carrier standards. One relates to having a single location and uniform standards for registration of commercial motor vehicles and collection of fuel taxes with proportional sharing of registration fees and taxes among the states. The other proposal preempts state laws relating to interstate and intrastate rates, and routes or services of interstate motor carriers, thus providing uniform interstate and intrastate regulations. We believe both provisions have merit and could help reduce state and motor carriers' cost and paperwork and remove some long-standing trucking industry concerns. However, commercial vehicle safety could be compromised if some states choose to drop out of MCSAP rather than to have their intrastate regulations preempted. At least three states have indicated they would consider doing so.

MCSAP has contributed to improving motor carrier safety. However, we have found that FHWA's strategy for bringing carriers into compliance with federal safety regulations focuses on educating states and carriers rather than on follow-up and enforcement measures after safety deficiencies are found. For example, in our January 1991 report to this Subcommittee, we reported that, although 70 percent of the motor carriers which underwent FHWA's motor carrier safety review received less than a satisfactory rating, FHWA had not adequately implemented its follow-up enforcement procedures to ensure that carriers corrected deficiencies in safety management controls.[12]

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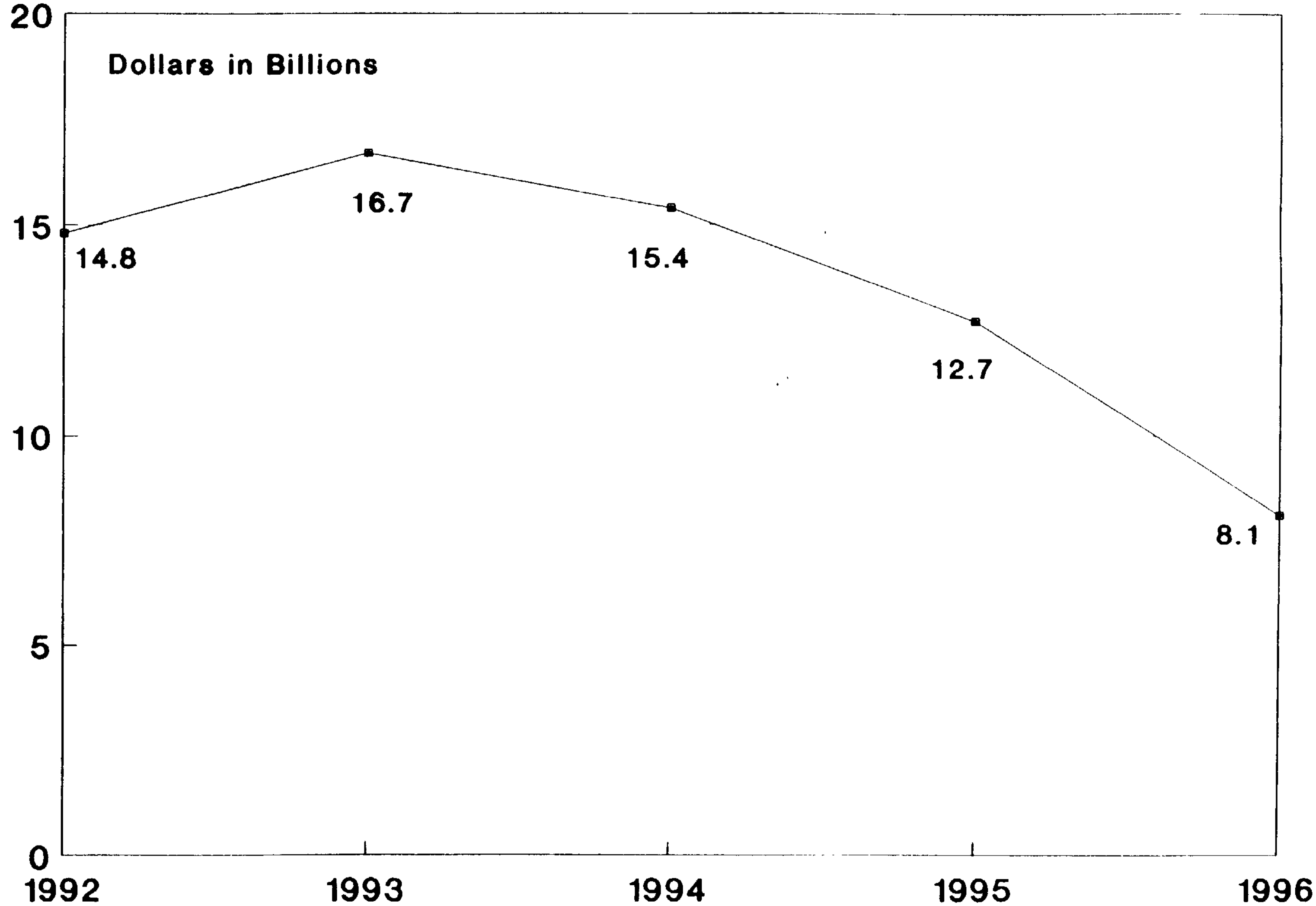
This concludes my prepared statement. I will be pleased to answer any questions you or other members of the Subcommittee may have.

[12] Truck Safety: Improvements Needed in FHWA's Motor Carrier Safety Program (GAO/RCED-91-30, Jan. 9 1991).

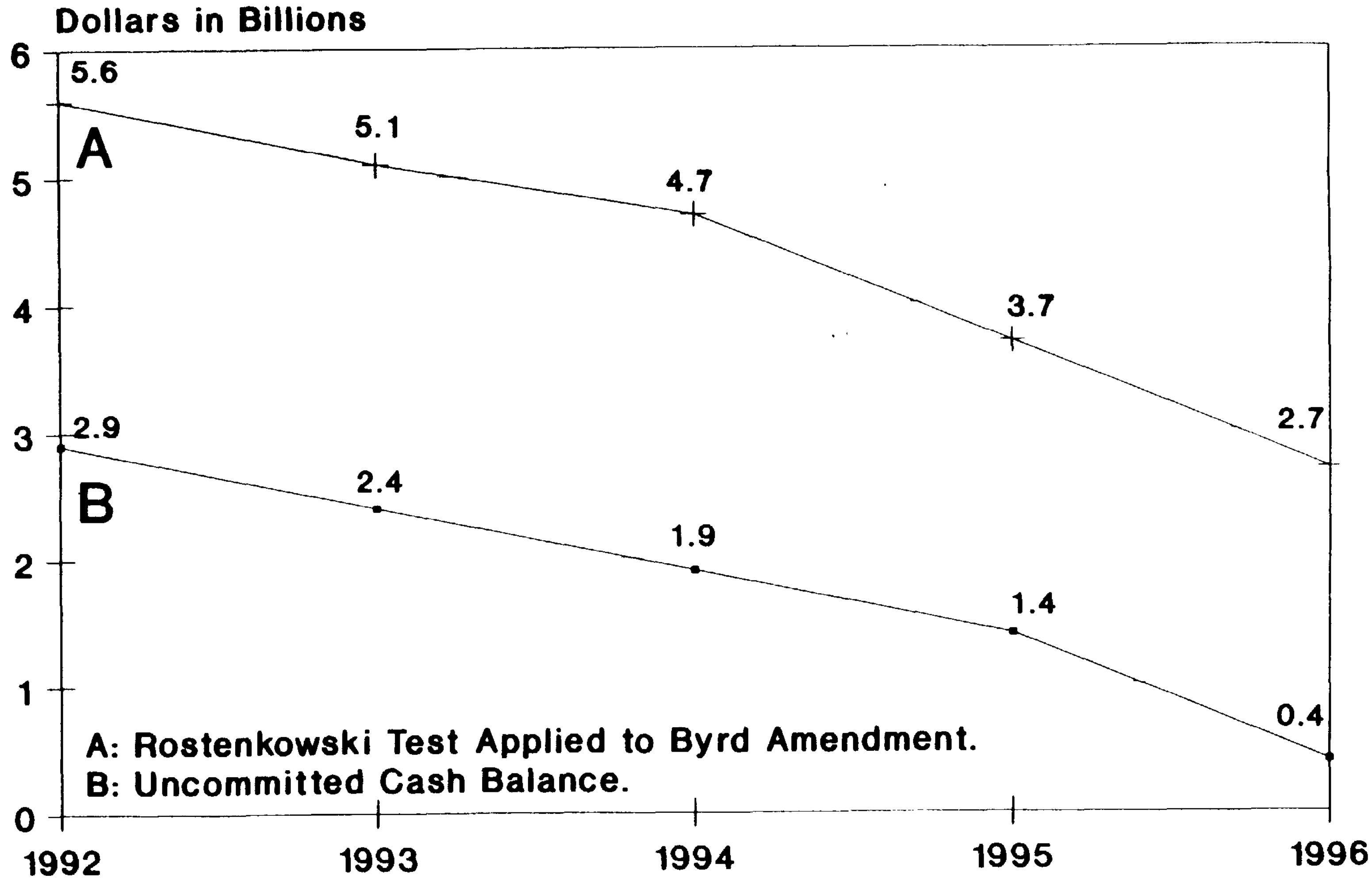
Proposed Highway Contract Authority Available Under the Byrd Amendment (FY 1992-1996)



Source: U.S. DOT, Office of the Secretary.

ATTACHMENT I

Proposed Mass Transit Account Status Under Byrd Amendment (FY 1992-1996)

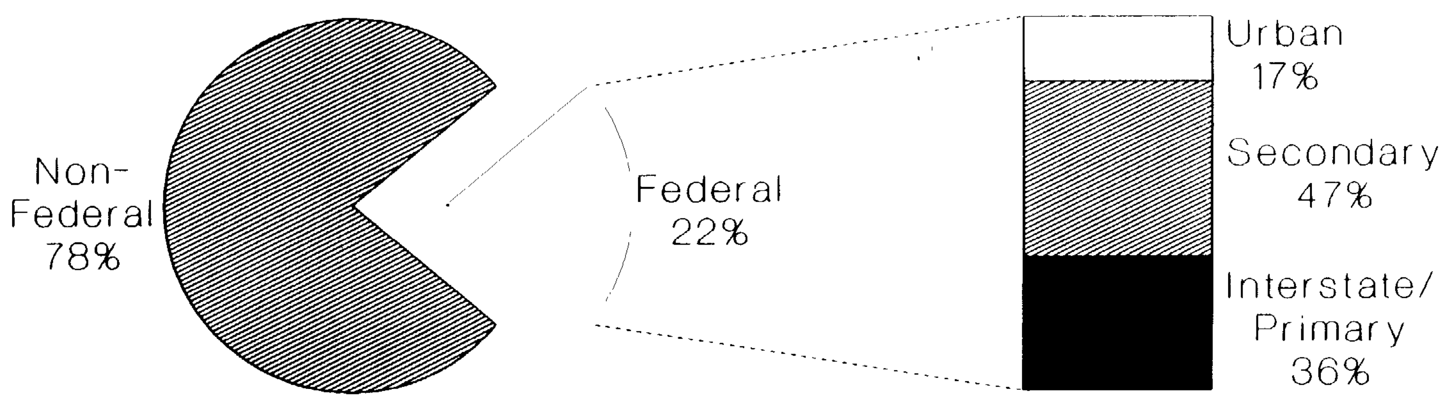


Source: U.S. DOT, Office of the Secretary.

ATTACHMENT II

Total U.S. Federal-Aid and Non-Federal Aid System Mileage (1989)

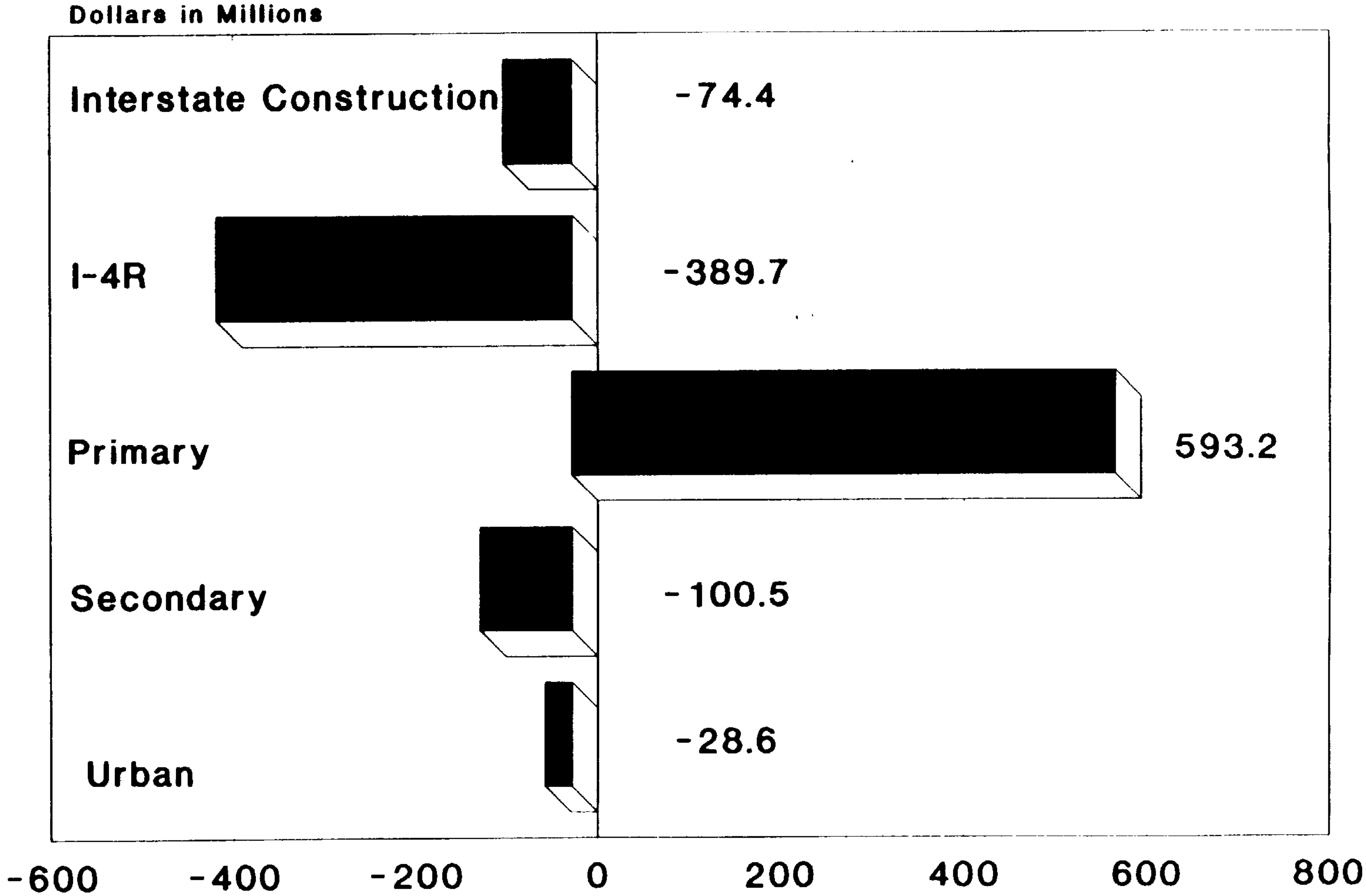
U.S. Mileage



Source: U.S. DOT, Federal Highway Administration.

ATTACHMENT III

States' Transfer of Highway Funds
(October 1, 1987 - September 30, 1990)*



*Excludes Rail-Highway Crossings & Hazard Elimination.
Source: U.S. DOT, Federal Highway Administration.

ATTACHMENT IV

RECENTLY ISSUED GAO REPORTS AND TESTIMONIES ON HIGHWAYS, MASS TRANSIT, AND HIGHWAY SAFETY

Truck Safety: Improvements Needed in FHWA's Motor Carrier Safety Program (GAO/RCED-91-30, Jan. 9, 1991).

Highway Financing: Participating States Benefit Under Toll Facilities Pilot Program (GAO/RCED-91-46, Dec. 17, 1990).

Motor Vehicle Safety: Information on Accidental Fires in Manufacturing Air Bag Propellant (GAO/RCED-90-230, Sept. 28, 1990).

Truck Safety: Need to Better Ensure Correction of Serious Inspection Violations (GAO/RCED-90-202, Sept. 28, 1990).

Scenic Byways: A National Program, If Created, Should Be Small Scale (GAO/RCED-90-241, Sept. 28, 1990).

Motor Vehicle Safety: Information on Recent Controversy Between NHTSA and Consumer Group (GAO/RCED-90-221, Sept. 27, 1990).

Motor Vehicle Safety: NHTSA Should Resume Its Support of State Periodic Inspection Programs (GAO/RCED-90-175, July 5, 1990).

Truck Transport: Little is Known About Hauling Garbage and Food in the Same Vehicles (GAO/RCED-90-161, June 28, 1990).

Transportation Infrastructure: A Comparison of Federal and State Highway Laws (GAO/RCED-90-157, June 27, 1990).

Loma Prieta Earthquake: Collapse of the Bay Bridge and the Cypress Viaduct (GAO/RCED-90-177, June 19, 1990).

Transportation Infrastructure: States Benefit From Block Grant Flexibility (GAO/RCED-90-126, June 8, 1990).

Truck Safety: States' Progress in Testing and Licensing Commercial Drivers (GAO/RCED-90-78, Mar. 12, 1990).

Transportation Infrastructure: Reshaping the Federal Role Poses Significant Challenge for Policy Makers (GAO/RCED-90-81A, Dec. 28 1989).

Transportation Infrastructure: Panelists' Remarks at New Directions in Surface Transportation Seminar (GAO/RCED-90-81B, Dec. 28, 1989).

Mass Transit Grants: UMTA Needs to Increase Safety Focus at Local Transit Authority (GAO/RCED-90-41, Dec. 1, 1989).

Motor Vehicle Safety: Passive Restraints Needed to Make Light Trucks Safer (GAO/RCED-90-56, Dec. 30, 1989).

Highway Trust Fund: Condition and Outlook for the Highway Account (GAO/RCED-89-136, May 9, 1989).

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