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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed into law H.R. 3786, a bill that will permit greater flexibility to the States in the use of Federal-aid highway funds and enable them to temporarily defer their matching share for certain projects.

The major benefit of this legislation is that it will permit States to temporarily reallocate Federal funds among the various categories of Federal-aid highway programs, except for the Interstate System. This change will permit the States to move forward with certain job-creating highway projects which they could otherwise not undertake at this time. This is also consistent with my view that the number of categories in the Federal highway program should be reduced.

Unfortunately, this legislation permits the States to defer until December 31, 1976, the payment of their matching requirement on projects for which Federal funds have been approved between February 12 and September 30, 1975.

Although I strongly oppose in principle deferring matching requirements by State and local governments, this one-time exception is made to enable the States to take advantage of the special jobs-producing highway funds which I released in February and of the additional funds made available by the Congress in April. Importantly, H.R. 3786 contains a tough provision which requires States to either pay up their deferred matching share by the end of 1976 or lose future Federal highway grants. For these reasons, I have signed this legislation to insure that all States will be able to take advantage of their fair share of these special highway funds and to proceed with projects which will stimulate employment in the construction industry.

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