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Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

FEDERAL-AID HIGHWAY ACT OF 1976

The President is signing into law today the Federal-Aid Highway Act of 1976 (H.R. 8235) which provides more than \$17.5 billion for the continuation of Federal highway construction rehabilitation and safety programs and extends the Highway Trust Fund as a method of financing them for two years.

BACKGROUND

Last July, the President sent to the Congress a comprehensive, long-term highway bill, proposing:

- A restructuring of the present trust funding system with \$1 billion of gas tax assistance available directly to the States.
- Consolidation of the many categorical grants in the Non-Interstate program into three broad block grants of Rural, Urban, and Safety Assistance.
- Focusing prime Federal attention on completion of critical intercity routes on the Interstate System, and
- Providing long-term, responsible funding levels for highway programs consistent with new Congressional budget procedures.

H.R. 8235 is a compromise bill that extends the important highway programs until the next Congress can fully deal with these proposals.

HIGHLIGHTS OF H.R. 8235

A. Interstate Highway Program.

- Provides funds for the first time expressly for rehabilitation and restoration projects on the Interstate system.
- Liberalizes the Interstate transfer provisions to allow construction of other highways and/or mass transportation facilities or equipment when nonessential Interstate segments are deleted.
- Assigns priority to the completion of the intercity routes closing critical gaps in the Interstate System. Thirty percent of a State's Interstate funds must be used on the portions of the System in a State which contribute to the continuity of the national system.

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B. Non-Interstate Highway Program.

- Consolidates a number of existing categorical grant programs into a broader, more flexible program. The bill also allows for the transfer of funds between system categories to allow States increased flexibility in the use of highway funds where they are needed.
- Simplifies the delivery of Federal highway funds by allowing the States themselves to certify compliance with a number of Federal project approval requirements.

C. Highway Safety Programs.

- Provides increased authority to waive uniform highway safety program standards in that the Secretary of Transportation need not require every State to implement every requirement of every standard.
- Provides more flexibility in applying the highway safety fund penalty against noncomplying States by permitting the withholding of 50-100 percent of such funds rather than the 100 percent previously required.
- Requires the Secretary of Transportation to evaluate the effectiveness of the highway safety program standards and the need for changes in the standards and report to the Congress by July 1, 1977, and suspends the highway safety fund penalty until that report is submitted.
- Creates a new incentive program for the reduction in the absolute number of fatalities. This program will complement the existing incentive program for fatality rate reduction.
- Continues the Safer Roads Program as a permanent program and consolidates it with Off-System roads to improve safety and capacity of existing roads.

D. Other Important Provisions.

- Meshes more effectively the operation of the highway program with the Congressional budget control process by revising the dates on which highway funds are made available to conform with the start of the new fiscal year.
- Continues and modifies the current highway beautification program which is directed towards eliminating unsightly roadside billboards, controlling roadside junkyards, and improving the landscape along the Nation's highways.
- Continues the current program which permits the expenditure of up to \$10 million a year of highway funds for equal opportunity training programs.

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Funding Provisions of the Act.

The attached Table reflects the funding authorizations for FY 1977-78, the two years for which this Act contains authorizations for all of these programs. In addition, the Federal-Aid Highway Act of 1976 includes transition quarter authorizations of approximately \$1.9 billion, the bulk of which reflects the movement to a revised date of apportionment for non-Interstate highway funds. The bill also contains annual authorizations for the Interstate highway program through 1990.

1976 FEDERAL-AID HIGHWAY ACTFY 1977-1978 Authorizations
(in millions)

<u>Basic Federal-Aid Highway</u> <u>Construction Programs</u>	<u>1977</u>	<u>1978</u>
Interstate <u>1/</u>	3,250 <u>2/</u>	3,516
Consolidated Primary	1,350	1,350
Secondary	400	400
Urban System	800	800
Safety Construction/Off-System	<u>755</u>	<u>755</u>
Subtotal	6,555	6,821
<u>Other DOT Construction Programs</u>	486	482
<u>Safety Assistance</u>	212	237
<u>Non-DOT Highway Programs</u>	<u>303</u>	<u>303</u>
Total	7,562	7,848

1/ Funds authorized for Interstate become available one year in advance of the fiscal year for which authorized.

2/ Authorized in 1973 Federal-Aid Highway Act and was not changed in 1976 Highway Act.

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