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ISTEA Reauthorization: Highway and Transit Legislative Proposals in the 105th Congress, 2nd Session

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ABSTRACT

Legislative proposals to reauthorize federal surface transportation programs formerly contained in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) are currently working their way through Congress. As amended, House and Senate bills now reflect greatly increased levels of funding for these programs. Each bill contains somewhat different structural elements to facilitate this additional spending. This report discusses the structure of the House and Senate proposals and provides an overview of issues that may come to the forefront during conference.

This report will be updated as action on legislation is completed. For the most current information about this legislation, especially concerning amendments, please consult the Legislative Information System (LIS) at http://www.congress.gov

ISTEA Reauthorization: Highway and Transit Legislative Proposals in the 105th Congress, 2nd Session

Summary

Congress was unable to complete action on a long-term reauthorization of federal surface transportation programs during the 1st Session of the 105th Congress. The authorization of these programs provided for by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (P.L. 102-240) expired on October 1, 1997. Legislation that would provide for reauthorization of these programs is now headed for conference committee consideration. The Senate completed floor consideration of its legislative vehicle, S. 1173, on March 12, 1998. Final Senate action occurred on April 1, 1998. The House completed floor action on its bill, H.R. 2400, on April 1, 1998.

The ISTEA programs are continuing to operate on the basis of limited interim financing enacted in the closing moments of the 1st Session. This financing expires on May 1, 1998.

The Building Efficient Surface Transportation and Equity Act of 1997 (BESTEA), H.R. 2400, is the proposal of the House Committee on Transportation and Infrastructure. The legislation is based on the premise that ISTEA provides a good structure for federal transportation programs, and that what is needed to make the federal program even better is more money, modernized formulas, and a few new programs to improve coverage. The new programs in the legislation e.g., a high cost interstate construction and improvement program; and a high risk road safety improvement program are designed to meet specific national needs that were difficult to address within the broad funding programs found in ISTEA.

The Intermodal Surface Transportation Efficiency Act of 1997 (ISTEA II), S.1173 on which the Senate completed action, is a blended bill that incorporates the essential structural elements of several legislative proposals introduced in the 1st Session. At the same time it retains some portions of ISTEA. It is a different bill from BESTEA in its structure, but contains several of the same policy goals. A principal goal of this legislation is its focus on enhancing state and local control over highway program spending by combining a significant number of separate programs.

The question before Congress then is not about whether it should be a participant in the transportation infrastructure business. Rather, the question is about the size and scope of the federal effort and how to pay for it. Because of concerns about the federal budget deficit, most of the discussion about ISTEA reauthorization, until very lately, has been focused on money. Program structure, which was changed dramatically by ISTEA in 1991, has been a secondary issue. As the respective bills move toward conference the structural differences between the two bills will become the primary focus. There are liable to be several contentious issues in conference. The most visible of these being the 1,500 plus, high priority projects in the House bill and the significantly higher levels of funding for transit in the Senate bill. Also at issue are House bill provisions that take the highway trust fund off-budget and requires bill conferees to agree on the budget offsets needed to allow increased spending.

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Congress was unable to complete action on a long-term reauthorization of federal surface transportation programs during the 1st Session of the 105th Congress. The authorization of these programs provided for by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) (P.L. 102-240) expired on October 1, 1997. Legislation that would provide for reauthorization of these programs is now under consideration. The Senate completed floor consideration of its legislative vehicle, S. 1173, on March 12, 1998. The House completed floor action on it proposal, H.R. 2400, on April 1, 1998.

Presently, the ISTEA programs are continuing to operate on the basis of limited interim financing enacted in the closing moments of the 1st Session.[1] This financing expires on May 1, 1998. Without passage of new long-term and/or short-term legislation, the states will be unable to obligate funds for new projects supported by the federal programs after that date. The immediate effect of this situation will vary from state to state. Over the longer term, an extended interruption in the program during what would constitute the prime construction season in northern tier states is likely to have a significant effect on the continuity of surface transportation infrastructure programs.

The Senate completed consideration of a long-term reauthorization bill on March 12, 1998. As expected, most of the initial debate took place in the context of the debate over how much of a funding increase could be provided for the ISTEA programs in light of the need to pass an FY1999 congressional budget resolution that preserves deficit reduction targets agreed to in FY1998. During floor consideration Senate leadership reached an agreement on a new funding level for the bill that greatly expands the size of federal highway and transit programs.

A similar, but less lengthy debate occurred in the House. The House bill, H.R. 2400 provides funding at a level substantially above the amount agreed to in the Balanced Budget Act of 1998. Attempts on the floor to reduce the level of spending in the bill failed. As a result, the House bill provides funding at a level just slightly higher than that found in the Senate bill.

Proponents of increased federal surface transportation spending in the House and the Senate seem to have won the argument that transportation spending should increase over the levels envisioned in the Balanced Budget Act of 1997. Their

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[1] Surface Transportation Extension Act of 1997 (P.L. 105-130).

proposal, that increased spending be provided to correspond with increases in revenues directed to the highway trust fund, has won leadership support in both bodies. This is especially true in light of the recent redirection of a 4.3 cent federal fuels tax from deficit reduction to the highway trust fund (this change came about as a result of provisions in the Taxpayers Relief Act of 1997). Increased spending proponents are also expected to argue that newly projected budget surpluses will provide the needed budgetary room to allow a larger federal transportation program.

This view likely will be opposed by those who either want the projected surplus dedicated for other things, like a tax cut, or believe that discussion of a surplus is premature. From this perspective, fuel taxes and the transportation trust funds are part of the overall budget debate, and neither the revenue stream nor the trust fund should be allowed to operate separately from the overall federal budget.[2]

The modern federal-aid highway program that created the interstate highway system in 1956 has been reauthorized on a periodic basis. In each of these reauthorization cycles, including the cycle that led to ISTEA in 1991, most of the legislative attention was focused almost immediately on three pieces of legislation; an Administration bill, and the bills produced by the respective House and Senate authorizing committees. These bills normally coalesced during the year into a new federal-aid highway act. During the 1st Session, however, several comprehensive bills were introduced, each of which contained a competing idea about how federal transportation funds should be distributed. Some of these proposals had ideological roots. Other proposals could be viewed in the context of an ongoing struggle between states and/or regions for influence and funds. After considerable debate, the discussion about how to affect a long-term reauthorization is now focused on a single House and single Senate bill. Each of these bills incorporates some, but not all of the thematic elements of the bills introduced in the last session. A brief overview of the basic thematic elements of legislation introduced in the 1st Session is provided in the next section of this report.[3]

The remainder of this report focuses on the major programmatic elements of the principal House and Senate bills expected to serve as reauthorization vehicles during the remainder of the 2nd Session. The report looks at the policy objectives and outcomes sought by each initiative. A summary table showing proposed funding for major programs is included in the Appendix at the end of this report. A discussion of some of the major surface transportation policy issues that may arise during congressional debate is also included in the report. This report is not intended as a detailed section-by-section comparison of each legislative proposal. In addition, this

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[2] The issue of the budget status of the transportation trust funds is complex and of long standing. A more detailed discussion of this issue can be found in : U.S. Library of Congress. Congressional Research Service. *Transportation Trust Funds: Budgetary Treatment.* By John W. Fischer. CRS Report 98-63 E.

[3] For a detailed discussion of highway legislation introduced in the 1st Session see: U.S. Library of Congress. Congressional Research Service. *ISTEA Reauthorization: Highway Related Legislative Proposals in the 105th Congress*. By John W. Fischer. CRS Report 97-516 E.

report does not examine safety, motor carrier issues, research, and other technology provisions that have been attached to this legislation.[4]

Significant Legislative Proposals in the 1st Session

STEP 21, The ISTEA Integrity Restoration Act (H.R. 674, S. 335)

The ISTEA Integrity Restoration Act was the first ISTEA reauthorization bill introduced in the 105th Congress. This is the STEP 21 proposal (Streamlined Transportation Efficiency Program for the 21st Century), which was first introduced in the second session of the 104th Congress. STEP 21 is an idea that has been percolating in several State Departments of Transportation for a number of years. The basic premise of STEP 21 proponents is that ISTEA is too complex in its application, has outdated and inequitable distribution formulas, and is too stringent and costly in its administration. STEP 21, therefore, is aimed at program simplification and efficiency.

In the view of its supporters, STEP 21 is an equity bill. It guarantees that states receive a share of total highway funds equal to at least 95% of the states revenue contribution to the highway trust fund. In this regard, the two similar — but slightly different — STEP 21 bills (H.R. 674 and S. 335) overcome what many states believe was a failed promise in ISTEA that guaranteed each state would receive at least 90% of revenue contributions. In addition, the bills attempt to protect the interests of smaller states in terms of land area and/or population, by ensuring adequate funding is provided to meet their special needs.

NEXTEA, The National Economic Crossroads Transportation Efficiency Act (S. 468, H.R. 1268)

This is the Clinton Administration bill. It reflects the experience of the Department of Transportation (DOT) in administering ISTEA, as well as the policy perspectives of the Clinton Administration. DOT is of the opinion that ISTEA provided a good framework for the federal-aid highway program. As a result, the bill focus is on marginal changes, which are viewed as improvements to the existing program. Among these changes are a number of new, but relatively inexpensive, initiatives that are in line with previous Administration transportation budget proposals on items such as innovative financing mechanisms and welfare-to-work transportation assistance .

Funding for the federal-aid highway program is expanded over ISTEA levels, but much of the funding increase takes place during the last 3 years of the authorized

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[4] For a discussion of highway safety issues see: U.S. Library of Congress. Congressional Research Service. *Federal Traffic Safety Programs and Grants: Issues and Options for Reauthorization.* CRS Report 97-271 SPR. By Paul F. Rothberg and Brad A. Trullinger.

period. This legislation provides the lowest level of authorizing authority of any of the bills discussed in this report. This is in keeping with the Administration view that the federal-aid highway program has a role in the effort to balance the overall federal budget by FY2002 and should be subject to the same constraints as other federal spending activities.

STARS 2000, Surface Transportation Authorization and Regulatory Streamlining Act (S. 532)

STARS 2000 has an outward structure that appears similar to the STEP 21 initiative, but the bill is significantly different. STARS 2000 can be construed as an attempt to take a position somewhere between STEP 21 and the existing ISTEA format. The bill retains most ISTEA flexibility options and makes no changes in the existing planning environment. Elements of the legislation, however, are focused on providing enhanced state and local decision making, and at reducing the amount of federal regulation involved in the planning and construction process.

When introduced STARS 2000 provided the highest sustained annual authorization level for the federal-aid highway program of any legislation introduced to that point. It also had a provision that allowed annual funding levels to be raised in response to any upward adjustment in available funding from the highway trust fund. The bill accepted the position that states should receive an allocation equivalent to at least 95% of each state's contribution to the highway account of the highway trust fund.

This legislation is viewed by supporters of other legislation as having a rural and western tilt, i.e., those states showing the greatest funding increases in this bill are mostly in the west. Proponents of the legislation, however, counter this argument by pointing to the fact that the majority of states would get significantly greater funding as a result of this legislation, and that programs important to proponents of other legislation are included in this bill.

"ISTEA Works", The ISTEA Reauthorization Act of 1997 (S. 586)

This legislation starts with the premise that "ISTEA Works," which is also the name of the coalition that supports this legislation. In most respects, the bill follows the ISTEA framework closely and retains a 6-year authorization period. The legislation attempts to "modernize" funding formulas, further improve funding flexibility, broaden the intermodal focus of the bill to include funding for new activities, such as Amtrak, and maintains a strong connection to federal environmental programs. The guiding concept of the supporters of this approach is that federal highway monies should be directed to identified national transportation system "needs." To meet these needs the bill provides for a significant increase in highway funding.

Devolution, The Surface Transportation and Transit Empowerment Act (H.R. 3045, S. 1494)

This legislation is designed to transfer much of the spending and taxing authority in the federal program to the states. The legislation provides states with the opportunity and incentive to essentially opt out of the federal program for most, but not all of the programs in ISTEA. This is an evolutionary process as designed in the legislation. States could initially take their assigned highway and transit funds as block grants and could later opt to take over the program entirely. At this second stage, referred to in the legislation as tier II, the state would be given access to the revenue stream associated with the program. State participation and financing rates would be subject to determinations by the Department of Transportation, the Department of Treasury, and by further congressional action. In the view of this legislation's proponents the current federal program should be replaced by a state operated program. This is viewed by its proponents as a natural progression from the STEP 21 concept of guaranteeing each state a 95% share of its fuel tax revenues.

H.R. 2400, Building Efficiency Through Surface Transportation and Equity Act of 1997 (BESTEA)

Introduced September 4, 1997
Subcommittee mark-up completed September 10, 1997
Committee mark-up completed September 24, 1997, Bill held in Committee[5]
Committee mark-up completed March 24, 1998, bill reported
Floor action completed April 1, 1998

Policy Focus

BESTEA is the proposal of the House Committee on Transportation and Infrastructure. BESTEA, at its core, is an ISTEA derivative that incorporates features and policy ideas from NEXTEA and Step 21. The legislation is based on the premise that ISTEA provides a good structure for federal transportation programs, and that what is needed to make the federal program even better is more money, modernized formulas, and a few new programs to improve ISTEA coverage. The new programs in the legislation e.g., a high cost interstate construction and improvement program, and a high risk road safety improvement program are designed to meet specific national needs that were difficult to address within the broad funding programs found in ISTEA.

What makes BESTEA different from all the other reauthorization legislation introduced in the 1st Session of the 105th Congress is the amount of money it provides, $218.3 billion, over 6 years. Of the total, $179.5 billion is reserved for highway programs, excluding safety. The bill authorizes $24.6 billion in FY1998,

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[5] At the time of its introduction BESTEA was a 3-year bill. During Committee mark-up a 6-year version of BESTEA was adopted. The bill was subject to amendment at Committee mark-up and during floor consideration.

$28.2 billion in FY1999, and 31.7 billion in each of the next 4 fiscal years. Average annual spending for highways under this bill stands at $29.9 billion. This is well above the level of spending proposed by other legislation discussed in this report. The legislation uses 5 years of budget authority assumed for this legislation in the Balanced Budget Act of 1997 (P.L. 105-33) in its first 3 years. Funding for the final 3-year period in the bill would hence be subject to further action on the congressional budget.

The funding levels in this bill for years after FY1998 are not accommodated within the program guidance in the Balanced Budget Act. The bill includes the provisions of H.R. 4, the Truth in Budgeting Act, which is opposed by the leadership of the House Committee on the Budget.[6] Concern about these 2 items was largely responsible for keeping the bill in Committee during the waning days of the 1st Session. Prior to floor consideration the House leadership reached a compromise on a number of these issues. As passed by the House, the bill includes modified off-budget provisions affecting only the highway trust fund and a provision requiring that budget offsets for additional spending in the bill be identified in conference.

As passed by the House the bill contains over 1,500 designated high priority projects with dedicated funding of $9.0 billion. The bill also contains designated new start transit projects and bus related projects at a similar funding level. The transit project funds, however, are taken from programs and are not a separate funding category. The text of the bill also includes a significant number of references to specific projects, highway corridors, and bridges.

Highway Program Framework

BESTEA is ISTEA with some modifications designed to address the concerns of the Clinton Administration expressed in NEXTEA and of supporters of the STEP 21 proposal. As introduced, the legislation modernizes the distribution formulas associated with the various highway programs and creates a new minimum allocation framework. This is accomplished by incorporating formula proposals found in NEXTEA and STEP 21. The legislation relies on these formula changes and on high proposed funding levels to guarantee that donor states receive significant increases in annual funding. The intent is to provide donor states with a 95% minimum allocation of funds from the program. This is not the same, however, as the minimum 95% return on contributions to the highway account of the highway trust fund contained in STEP 21. At the same time, the legislation seeks to protect the interests of donee states by retaining the overall ISTEA programmatic framework. One state, Massachusetts, would, however, receive less on an annual basis than it had in the last year of ISTEA. The decreased funding for the state is accounted for by the end of interstate construction and interstate substitution provisions of ISTEA that had provided the state with unusually high levels of funding. In markup a provision was added to ensure that no state fell below a minimum 90% return on its

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[6] H.R. 4 moves the transportation trust funds off-budget. For a discussion of this issue see: U.S. Library of Congress. Congressional Research Service. *Transportation Trust Funds: the Off-Budget Debate Continues.* CRS Report 98-63. By John W. Fischer.

trust fund revenues after high priority projects and minimum allocation computations were completed.

BESTEA continues and expands the transferability of funds begun by ISTEA. The bill allows 50% of funds in almost all programs to be redesignated for use in other programs. There are two exceptions to this transferability provision. In the case of Congestion Mitigation and Air Quality Program (CMAQ) and transportation enhancements, transferability is limited to 50% of the increase in funds provided by BESTEA over FY1997 levels.

National Highway System (NHS). The NHS receives $35.2 billion during the 6-year authorization period. BESTEA adopts the state distribution formula found in H.R. 674 (STEP 21). This formula eliminates historic share and other ISTEA variables in favor of modernized components, including five weighted highway data variables. One-third of the formula is based on total diesel fuel use on highways in a state. The formula uses two rural variables, total rural lane miles in a state, and total rural vehicle miles in a state. Each of these variables is weighed as one-ninth of the formula process. Finally the formula uses two urban variables: total urban lane miles in a state and total urban vehicle miles in a state. Each of these variables is weighted at two-ninths in the formula process.

States with low population densities and/or small populations are subject to an additional step in the determination of their state share. The share for these states is first computed on the basis of the formula described above. A determination is then made as to what percentage of total NHS funds the state would receive by this method. This percentage is then compared with state percentages detailed in section 104 (h)(1). The state receives a share of total NHS funds equal to whichever percentage is greater.

Most other changes to the NHS program are of a technical nature. The bill calls for a study of intermodal freight connectors to be conducted by DOT and creates a contest for children under the age of 14 to design a logo for the NHS.

Surface Transportation Program (STP). The biggest change in the STP is in the distribution formula. After setting aside 2% of funding for Alaska, the bill divides the remaining funds on the following basis: state population as a percentage of total population (1/3), state contributions to the highway account of the highway trust fund as a percentage of total contributions (1/3), and state contributions to the highway account of the highway trust fund by commercial vehicles as a percentage of total contributions by commercial vehicles (1/3). To the extent that the bill uses population and gas tax variables, BESTEA adopts the NEXTEA formula concept. STP remains the highest funded program in the bill with a 6-year authorization of $39.7 billion, or an average of nearly $6.6 billion per year.

Programmatic changes to the STP are minimal. There is some expansion of project eligibility to include certain environmental restoration and pollution abatement activities. In addition, the use of certain de-icing compositions on bridges would be an eligible activity. Finally, the bill would change STP administrative requirements by putting the state program approval process on an annual basis.

Interstate Maintenance Program. The bill makes interstate reconstruction an eligible activity under this program. This represents a potentially major change for this program which has here-to-fore been focused on rehabilitation, restoration, and resurfacing. The authors of ISTEA had purposely left reconstruction out of this section because of concerns that some states would use the funds in this section for projects that would constitute new construction and that the maintenance needs of the interstates would suffer as a result. It appears, however, that this legislation views the addition of reconstruction as necessary to meet unmet needs for major capital maintenance on the interstate system that can only be met in the context of a broader interstate maintenance program.

The other major change proposed by BESTEA is in the distribution formula. The new formula is based on the following variables: state contributions to the highway account of the highway trust fund by commercial vehicles as a percentage of total contributions by commercial vehicles (1/3); total vehicle miles traveled on interstate routes in a state as a percentage of total vehicle miles traveled on the interstate system (1/3); and the total lane miles of interstate highway in a state as a percentage of total interstate lane miles. Funding for the program is set at $28.5 billion for 6 years.

Highway Bridge Program. The ISTEA bridge formula is retained. A state's apportionment can be reduced over time, however, if the state transfers bridge monies into other programs. BESTEA continues the existing off-system bridge set-aside. It also adds the use of certain de-icing compounds as an eligible use for program funds. Total funding for the program is almost $28.9 billion.

Congestion Mitigation and Air Quality Improvement Program (CMAQ). The bill increases funding for CMAQ over ISTEA levels. Average annual funding for this program is at a level of almost $1.7 billion. This compares with peak year funding of just over $1.0 billion under ISTEA. The distribution formula for CMAQ is drawn from the formula proposed in NEXTEA. The formula uses weighted nonattainment and maintenance area populations of each state as a percentage of national totals, plus some additional factors. Each state is guaranteed a minimum apportionment of ½ of 1% of total funding regardless of whether the state has air quality problems.

Programmatic changes to the bill are limited in number. A controversial provision allowing program funds to be used for projects benefitting single occupancy vehicles in certain circumstances was removed during subcommittee markup. Finally, the bill requires that the National Academy of Sciences conduct a study to determine the effectiveness of the CMAQ program.

High Cost Interstate System Reconstruction and Improvement Program. This is a new program designed to fund projects on the interstate system that are beyond the funding capability of a state, or group of states, using regular annual federal obligations. According to the Transportation and Infrastructure Committee, the types of activities that are envisioned as using funds from this section include projects such as the reconstruction of the Woodrow Wilson Bridge in Maryland and the District of Columbia, and the Stevenson Expressway in Chicago. The bill does not, however, name specific projects and instead creates a process whereby DOT would select projects. To be eligible for consideration a project must cost over $200 million or cost more than 50% of a state's total allocation from the federal-aid highway program. Almost $4.6 billion is provided for this program over the 6-year period. During the period FY1998 through FY2000, two-thirds of funds available for this program are to be distributed directly to the states using the same formula as that used for the interstate maintenance program.

High Risk Road Safety Improvement Program. This is a new 6-year, $5.75 billion program. The program defines high risk roads as those subject now, or in the foreseeable future, to significant numbers of severe motor vehicle crashes that incur fatalities or incapacitating injuries. The state distribution formula for funds from this program is based on three variables: total population of a state as a percentage of total population (1/3), a state's public road mileage as a percentage of total mileage (1/3), and total vehicle miles traveled on public roads in a state as a percentage of total vehicle miles traveled (1/3). States are required to use these funds in a way that targets those projects that can produce the greatest return in terms of accident reduction.

Equity Provisions. BESTEA reduces the existing multiple equity program framework to a single **minimum allocation** program. This program is funded at a level of almost $7.2 billion. As proposed in the bill, the program requires that a state's total apportionment of funds from designated highway programs "shall not be less than 95% of the percentage of estimated tax payments attributable to highway users in the state paid into the highway trust fund, other than the mass transit account, in the latest fiscal year for which data are available." ISTEA provided a guarantee of 90%, but because of annual limitations on obligations and the complexity of the equity provision framework this guarantee was often unmet in practice. It should be pointed out again that the 95% minimum allocation framework of BESTEA is not the same as the 95% return on payments to the highway account of the highway trust fund proposed in STEP 21.

High Priority Projects (Demonstration Projects). As amended in markup and on the floor the bill contains slightly more than 1,500 specifically designated high priority projects. The bill allocates an average of $1.5 billion annually for these projects. The bill makes projects a part of the state minimum allocation calculations. This means that state minimum share guarantees will not benefit/suffer from a state having a large number of projects vis-a-vis another state's share of projects. The congressionally directed projects, known as demonstration (demo) projects in ISTEA, are typically viewed as being among the most controversial elements of the highway program. These projects are not subject to any future limitation on obligations imposed during the appropriations process.

Other Features.

Coordinated Border Infrastructure and Safety Program. This provision expands on the trade corridor and border gateway pilot program proposed in NEXTEA. The program provides funds for projects designed to improve the flow of people and goods along the U.S. borders with Canada and Mexico. Eligible uses for program funds include construction, operations, planning, and coordination. The program also requires that some funds be reserved for state motor vehicle inspection facilities at borders. Funding for this program is set at $570.0 million over 6 years. Projects along the U.S.-Canadian border must receive at least 40% of available funding and projects along the U.S.-Mexico border must also receive at least 40%.

Appalachian Development Highway System. BESTEA, like NEXTEA, provides funding for the already existing Appalachian Development Highway System, also known as the Appalachian Roads Program, from the highway trust fund. This program is currently funded by U.S. Treasury general funds. The administration of the program will continue to reside with the Appalachian Regional Commission (ARC). Before the ARC can adopt program changes, however, it must notify the Secretary of Transportation. The bill also adds two Georgia counties to the defined Appalachian region.

The program is authorized to receive $2.25 billion for the 6-year period of the bill. In addition, this provision increases the federal matching share for ARP to 80% from the existing 70% level, and guarantees each state eligible for ARP funding at least $1.0 million in FY1998.

Woodrow Wilson Memorial Bridge. The bill requires that ownership of the Woodrow Wilson bridge be transferred to the states of Maryland and Virginia, and to the District of Columbia. The bill provides no funds for the reconstruction and/or replacement of this bridge. Material supplied by the Committee on Transportation and Infrastructure, however, suggests that this is the type of program that could receive funding from the high cost interstate system reconstruction and improvement program.

Federal Lands Highways Program. The legislation reestablishes the **forest highway** program that had been eliminated by ISTEA as a separate funding category. This change is also found in NEXTEA. The forest highway program and public lands highway programs would receive separate allocations under this legislation with different distribution methods. Forest highways would receive funds on the basis of the allocation formula that had existed prior to ISTEA. The legislation clarifies the use of federal lands funds for matching purposes with other highway programs. Average annual funding for the entire federal lands highways program is just over $488.5 million. This level is a bit higher than the allocation for this program in the last year of ISTEA.

This section also defines some specific activities on the part of DOT. These are: an access study for the John F. Kennedy Center for the Performing Arts; support for transportation research, collections, and exhibits at the Smithsonian Institution; and, assistance for the construction of a visitors center on the New River Parkway in West Virginia.

Corridor Planning and Development. This new program provides funds for the coordination, planning, design, and environmental review aspects of designated corridors of national significance. The corridors to be considered as part of the program include high priority corridors identified in ISTEA and new corridors that facilitate international trade, interregional trade and mobility, and service to areas underserved by the existing highway system. The program provides $1.25 billion over the 6-year period. Program participants are required to produce very detailed plans for corridor projects, including financing plans. Although there are designated corridor construction funds provided in this section, any funds remaining after all planning and design allocations have been made may be used for construction. An amendment to this provision in markup makes it clear that construction is an eligible use for funds under this program.

Programmatic Reforms and Streamlining. This separate title of BESTEA makes significant changes in the administration of the federal-aid highway program and potentially requires changes in Federal Highway Administration (FHWA) organization. The provisions of this title are designed to simplify and enhance the project design, construction, and approval process. A major feature of this section is a requirement that "project design, plans, specifications, estimates, awarding of contracts and inspection of projects" for non-NHS projects is assumed by the state. For NHS projects, including interstates, the state and the DOT are required to reach agreement about the level of federal oversight.

Another provision in this title seeks to establish a more coordinated environmental review process for project approval. In some instances, DOT is given the ability to exercise judgement when some other federal agency has failed to provide guidance on a projects within a specified period. The provision also allows DOT to create a pilot program in which some states would assume oversight of the environmental review process. The pilot program would be subject to DOT review and last 3 years.

This title provides the codification for fund transferability between programs mentioned earlier in the discussion of BESTEA. Another reform in the title is the requirement that a separate financial plan be created for all highway and transit projects costing over $1.0 billion. Finally, the title eliminates oversight of federal-aid highway funds by FHWA regional offices. Funding oversight is transferred to FHWA division offices, which are located in each state, or to FHWA headquarters.

There are a number of provisions mentioned above that are likely to be controversial. It is likely, for example, that the ability and inclination of a state to provide oversight of all aspects of project planning and inspection will be questioned. This is especially true in the environmental area, where environmental groups have usually supported a strong federal role in the oversight of federal spending.

Transit Program Framework

Transit program reauthorization is contained in Title III of the bill. The bill provides $36.7 billion for transit over a 6-year period. This level of funding represents an average $864.0 million increase in annual funding over the levels provided by ISTEA. The transit program in this title is essentially the existing ISTEA transit structure. The bill includes a number of elements suggested in NEXTEA and adds a modest number of new provisions and programs. An important change in program financing, which has more of an accounting impact than spending impact, is to move almost all of the existing transit programs costs funded by U.S. Treasury general funds to the transit account of the highway trust fund.

During committee markup the transit program was subject to only minor amendment. Total funding for the programs described below was not changed. Funding levels for individual activities within programs are also largely unaltered. The bill does direct the Secretary of Transportation to adjust funding for FY1998 so that the provisions of the bill are in accord with the funds provided by the interim funding authority under which the program is currently operating. The reported bill also contains a list of authorized new start projects and a list of specified bus and bus facilities projects to be funded by the major capital program.

Formula Grant Program. The major change in this legislation is the elimination of transit operating assistance as an eligible use of formula funds for urbanized areas with a population of over 200,000. Urbanized areas of less than 200,000 would be able to use any, or all, of their formula funds for operating assistance. To compensate — in part — for the elimination of operating assistance in urbanized areas over 200,000 in population, the bill includes a broadened definition of preventative maintenance as an eligible use for formula funding. This provision will allow transit operators in all urbanized areas to use their formula funds for activities such as: the improvement or upgrading of a transit vehicle; and, the repair or replacement of transit vehicle systems, subsystems and components. Total spending on all preventative maintenance and operating assistance in urbanized areas of less than 200,000 cannot exceed $400.0 million.

Another change to the formula program is the establishment of a **transit enhancement** program for urbanized areas of over 200,000. This provision would require that these areas dedicate 2% of their formula funding to enhancement activities. The definition of enhancement activities is essentially the same for this program as it is for the transportation enhancement program set-aside in the highway surface transportation program.

Major Capital Program. The bill retains the ISTEA framework for this program and renames the program, “capital program grants and loans”. Funds continue to be split on the ISTEA basis of 40% new transit starts (new subways, light rail, etc.), 40% for fixed guideway modernization (existing rail systems), and 20% for bus capital projects. There are a some changes proposed for this program, however. Most of these are of a procedural nature, but there is one new funding initiative.

The new funding activity identified in this section is a **bus technology pilot program.** This new activity is assigned 10% of all bus discretionary funding. The purpose of this section is to demonstrate and test new clean fuel technologies that could reduce atmospheric pollution created by urban buses. The types of technologies eligible for funding are defined quite broadly. A sum of $4.86 million of the funds made available from this program are reserved for fuel cell powered buses or bus maintenance facilities.

A significant procedural change occurs in the new transit start funding category. The Federal Transit Administration (FTA) could not award any full funding grant agreement for a new transit start unless it received specific congressional authorization. The effect of this change is to essentially strip the FTA of its existing discretionary authority over the new start program and transfer this authority from the executive to the legislative branch. .

The legislation also limits the amount of funding available in the new starts program for activities other than final design and construction to 8%. The intent of this provision appears to be twofold. First, the change creates more tangible infrastructure for the available federal dollars. Second, and perhaps equally important, is that it provides a deterrent to spending significant program monies on the design of new start projects that might not actually reach the final design and construction stage as a result of funding and/or environmental problems.

A change to the fixed guideway modernization distribution formula gives newer fixed guideway transit systems access to some additional funding. Older systems do not receive less funding as a result of this provision, but receive less of increased funding made available by this legislation. This provision is viewed as a recognition of the long-term needs of all fixed guideway systems and starts to move the focus of the program away from its pre-ISTEA focus on older systems.

The bill authorizes $4.8 million annually from the fixed guideway modernization program for the Alaska Railroad. The existing program funds commuter rail activities in urban areas, but does not provide funding for intercity rail service. Hence, the provision of funding for the type of passenger rail service provided by the Alaska Railroad may be construed as an expansion in eligible activities within the transit program.

Access to Jobs Pilot Program. The legislation creates a new program to assist welfare recipients in their search for employment by creating transportation opportunities that will allow them to commute to jobs outside their immediate neighborhoods. This program, as a result of a floor amendment, receives an annual authorization of $150.0 million in the bill. Federal funding for the program requires a 50% state/local match, but federal funds provided by other federal programs, such as those funded by the Department of Health and Human Services, could be used to pay the state/local match. A total of 10 projects, in various size communities, would be funded by the bill.

Other Provisions. The legislation provides $5.0 million annually for a new **Joint Partnership** program designed to support consortia and other partnership arrangements that promote transit innovation. The FTA can enter into agreements as a full participant, but the federal share in any joint partnership resultant from this provision is limited to 50%.

Off-Budget Provisions

The legislation as amended contains provisions in Title VII that take the highway trust fund off-budget beginning in FY1999. This represents a change from provisions in the introduced bill that included all transportation trust funds. The off-budget provisions, which have been an important element of the Committee's agenda for several years, were agreed to in advance by the House Leadership.

The revenue title of this legislation will be added by the Committee on Ways and Means. Committee markup occurred on March 26, 1998. As part of the Leadership agreement the revenue title will include provisions that reduce the existing trust fund balances and create a new operating framework for the trust fund. The most important element of this framework is a provision that removes the obligation of the Treasury to pay interest on trust fund balances beginning in FY1999.

S. 1173, Intermodal Surface Transportation Efficiency Act II (ISTEA II)

Introduced September 12, 1997
Reported by Committee on Environment and Public Works, September 17, 1997
1st Session Senate Floor Debate, October 8, 20, 21, 22, 23, 24, and 29, 1997
2nd Session Floor Debate began February 26, 1998
Floor debate completed March 12, 1998, bill returned to Calender
Senate passed H.R. 2400 and inserted the text of S. 1173, April 2, 1998

Policy Focus

ISTEA II is a blended bill that tries to incorporate the essential structural elements of STEP 21 and STARS 2000. At the same time, it tries to retain some portions of ISTEA. As a result, the bill reflects the interests of the three previous bills referred to the Senate Committee on the Environment and Public Works that were summarized earlier in this report. It is also a different bill from BESTEA in its structure, but contains several of the policy goals found in that bill. The principal goal of this legislation appears to be an enhancement of state and local control over highway program spending through a heightened emphasis on the NHS and STP programs. What are viewed as essential ISTEA programs, such as CMAQ and transportation enhancements, are retained and enhanced. Safety is also viewed as an essential program element.[7] This is a 6-year bill providing a total authorization of $214.0 billion for highway, highway safety, and transit programs.

The Senate has now completed action on S. 1173, which it has passed as an amendment in the nature of a substitute to H.R. 2400. Because of the differing provisions of the bills a conference is required.

The bill was subject to significant amendment during floor consideration. Most of the important changes in the bill are financial rather than structural. The single largest change is in the amount of funding provided by the bill. Almost $26.0 billion has been added to the highway program which is now funded at a level of $171.0 billion. An additional $5.0 billion has also been added to the transit program which becomes a $41.3 billion program. With these additions, S. 1173 provides almost as

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[7] Only a portion of highway safety is under the jurisdiction of the Committee that authored this legislation. Additional safety titles drafted by the Senate Committee on Commerce, Science, and Transportation were added to the bill during floor consideration.

much highway funding as H.R. 2400 and provides more transit funding than the House bill.

As introduced ISTEA II complied with the Balanced Budget Act of 1997. The amended version exceeds the discretionary caps in the balanced budget agreement. The additional funding for highways added on the floor equates to revenues expected from the 4.3 cent federal fuel tax that was transferred to the highway trust fund last year. Those funds had been designated for other discretionary activities. The Senate Budget Committee leadership has taken the position that it will find offsets in other federal programs to allow highway spending to increase to the authorized levels. These offsets are expected to be part of the Senate version of the FY1999 congressional budget resolution.

A stated goal of ISTEA II as introduced was a guarantee that each state would receive a level of funding equal to 90% of its contribution to the highway account of the highway trust fund. This is the same level envisioned, but never reached in ISTEA. To meet this guarantee, the introduced bill created an entirely new funding formula structure using simpler and more modernized variables. The formulas themselves, however, are complex and somewhat difficult to understand for those not familiar with various measures of highway and traffic activity. This is particularly true of the bill's two equity provisions.

As a result of floor action, the bill now guarantees each state a return of 91%. This increase is accomplished by the addition of new contract authority for the programs in the bill and by the addition of three new funding provisions that could be viewed as equity provisions.

The 91% guarantee provisions and the formulas contained in the bill are viewed by many as favoring southern and western states. The higher funding levels in the amended bill seem to have quelled criticism of the bill by northeastern states and in other states that benefitted from the ISTEA funding structure and felt they would have been disadvantaged by the bill's formula structure.

Highway Program Framework

The legislation adopts the simplified program design envisioned in STEP 21 and STARS 2000 — an NHS program and an STP program — combined with retention of CMAQ as a separate program. The bill uses set-asides in the two largest programs to retain a level of federal effort for activities such as interstate maintenance, and bridge maintenance and construction. The bill retains and expands on the program flexibility found in ISTEA. For example, rail passenger service, provided by AMTRAK or the states, becomes an eligible use for highway funding. In addition, the bill creates a number of specific funding programs for initiatives deemed to be important as part of the federal government's role in the provision of transportation infrastructure.

There are some elements of ISTEA II that are unique when compared with the other bills discussed in this report. Among these is an emphasis on innovative financing techniques using mechanisms such as: state infrastructure banks (SIBs), a new transportation finance and innovation program, and a value pricing initiative.

Another initiative in the bill not found in other legislation is a program for wetlands restoration.

As amended the bill provides increased funding for all of the programs discussed below. The bill does not always detail this increase on a program-by-program basis. Much of this additional funding is targeted at specific states in order to meet the 91% guarantee. These additional funding sources will be discussed in a separate section after the program framework is discussed. For some other programs, such as federal lands highways and Appalachian roads the increases are more easily identified and are incorporated into the program framework discussion. For the purposes of the discussion of programs beginning below this report uses preliminary FHWA data provided to the Senate Environment and Public Works Committee and the language of the bill itself.[8] As a result, the funding levels discussed below should be viewed as being approximate funding levels rather than absolute funding levels.

Interstate and National Highway System Program (INHS). This program is similar in scope to the NHS program in STEP 21 and STARS 2000 proposals. The level of program support, however, is more in keeping with STARS 2000. This is the largest program in ISTEA II. Inclusion of the interstate system in the program name can be construed as support for continuation of a commitment to the interstate system as a separate element of the federal-aid highway system. Unamended average annual funding for this program is slightly below $12.1 billion. Total funding before inclusion of any additional funding is over $72.5 billion for the 6-year period.

The INHS program contains two separate set-asides, **interstate maintenance** and **interstate bridge.** A separate funding authorization for each component is provided within the INHS. Unamended average annual funding for interstate maintenance is just over $4.7 billion. For interstate bridge the average unamended annual level of support is over $1.4 billion. On a combined basis these two components are approximately 50% of total INHS funding. There is an opportunity for significant transfers between these two components and the larger INHS program. These transfers, however, are predicated on a state's ability to demonstrate a continued commitment to interstate and bridge maintenance and improvement.

The legislation significantly broadens the range of eligible activities that can be funded by the INHS program. Among the additions are: funding for Amtrak and other publicly owned intercity rail capital projects; funding for publicly owned components of magnetic levitation (MAGLEV) transportation systems; funding for natural habitat and wetland mitigation (subject to some restrictions); intelligent transportation systems (ITS) capital projects; intracity or intercity rail and bus terminals; and, publicly owned freight transfer terminals (except those at airports and seaports). The bill also expands and/or clarifies use of INHS funds for related safety, planning, and research activities. A final, and unusual, provision allows INHS funds to be spent on airports and seaports in U.S. Territories.

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[8] http:www.senate.gov/~epw/det-avg.htm

The INHS state distribution formula structure requires multiple computations for the two components and for the remainder of the program. The formula for the interstate maintenance component is a straight-forward distribution based 50% on the percentage of interstate lane miles in a state as a percentage of total interstate lane mileage, and 50% on total vehicle miles traveled (VMT) on a state's portion of the interstate system as a percentage of total interstate VMT. The interstate bridge component has an equally straight forward distribution formula based entirely on the total square footage of structurally deficient and functionally obsolete interstate bridges in a state as a percentage of the same measure for all interstate bridges. Remaining INHS funds are distributed using a somewhat more complicated set of variables. There are 5 weighted variables in this calculation; state arterial lane miles (excluding interstates)(20%); state arterial highway VMT (excluding interstates) (29%); the square footage of state structurally deficient and functionally obsolete bridges (excluding interstates)(18%); diesel fuel used on highways in a state (24%); and, a computation based on dividing the total lane miles of principal arterials in a state by state population as a percentage of the same computation for all arterials in all states. Finally, the INHS program is subject to a **minimum apportionment** that guarantees each state at least 0.5% of total program funding.

Surface Transportation Program (STP). The STP is the second largest program in ISTEA II. Average annual unamended authorizations from the program are at a level of $7.15 billion. The STP continues the set-asides found in ISTEA for **transportation enhancements,** urbanized areas, and safety. The set-aside for transportation enhancements is reduced to 8% of total STP funding from the 10% ISTEA level. Because STP is a larger program in ISTEA II, funding for transportation enhancements is actually at a higher level than it was under ISTEA. In addition, the bill provides for innovative financing of transportation enhancement projects. This provision essentially allows new funding sources for the non-federal share of project costs. There is also some expansion of project eligibility for the overall STP that is largely comparable to the expansion detailed above in the INHS program.

The state distribution formula for the STP uses 4 variables: total lane miles on the federal-aid system in a state (20%); total state federal-aid system VMT (30%); total square footage of structurally deficient and functionally obsolete bridges on federal-aid highways within a state (25%); and, state payments into the highway account of the highway trust fund (25%)(for the purposes of this computation the funds associated with the recent transfer of 4.3 cents in fuel taxes as part of the Taxpayer Relief Act of 1997 do not apply.). All states are guaranteed a **minimum apportionment** of at least 0.5% of total program funding.

Congestion Mitigation and Air Quality (CMAQ). The CMAQ program in ISTEA II is a continuation of the ISTEA program with some minor changes. Principal among these is a change in the state distribution formula to adjust for a state's carbon monoxide nonattainment areas and carbon monoxide maintenance areas. States are also given more flexibility in the use of CMAQ funds if they can show that they are providing a level of effort consistent with their respective clean air requirements. Unamended average annual funding for this program is set at just under $1.18 billion. The program continues to provide a **minimum apportionment**

of at least 0.5% for all states. States without clean air problem areas can spend available funds on any activity eligible under the STP.

Equity Adjustment. The legislation creates a 2 step equity adjusted structure consisting of an **ISTEA Transition** program and a **Minimum Guarantee** program. The determination of how much a state may receive as a result of each of these programs uses a complex set of variables. Computations are sequential and interdependent. The bill does not provide specific funding for these programs. Instead these programs are assigned the difference between total obligations in the legislation and those obligations assigned to specific programs. An analysis of ISTEA II by the FHWA made prior to Senate floor consideration of the bill indicates that ISTEA transition program funding is slightly more than $830.0 million on an annual basis and the minimum guarantee program provides just over $1.3 billion in annual funding.[9]

Additional Funding. As previously mentioned the Senate added significant new funding for all of the highway programs by amendment during floor debate, almost $26.0 billion over 6-years. The distribution of these funds took several forms as will be discussed below. The vast majority of these funds are available in the period FY1999 - FY2003. A primary purpose of this structure is to insure the 91% funding guarantee. These programs provide additional funding in the same manner as equity adjustment funds. With the exception of the high-density program these funds are not directed at any specific type of activity.

Added Contract Authority. The bill adds $18.9 billion in new contract authority for the highway program framework, or an annual average of almost $3.2 billion. Distribution of these funds is accomplished in a manner similar to distributions in the highway program framework. These are apportioned funds that will be distributed to states annually on a program-by-program basis.

High-Density Program. This provision creates a new program for states with "higher than average population densities". This is a $1.8 billion 6-year program that is aimed primarily at providing additional assistance to 9 states. Other states my be eligible for discretionary funds from this program in certain circumstances. Funds are distributed on the basis of a formula that uses a number of variables including, population density, total vehicle miles on each states federal-aid highway system, total federal-aid lane miles in urban areas, and total federal-aid lane miles in each state. In addition, the formula accounts for each states assistance level in the highway framework. States submit proposals for projects in high density areas aimed at improving mobility. Each of the states in the program receive an annual minimum of $36.0 million from this program. No state may receive more than 15% of annual program funding.

Bonus Program. Eighteen states receive specific annual levels of assistance from this program. These funds are available for use on any activity identified in the

[9] The table presenting this FHWA analysis can be found at www.senate.gov/-epw/ita-dan.htm

highway program framework and are treated as additional contract authority. The total authorization for this program is just over $1.9 billion for 6-years.

Further Assistance. Seven states share an annual authorization of $70.0 million for the period FY1999 - FY2003. These funds are also treated as additional contract authority.

Innovative Finance. This bill emphasizes financial innovation as a means of leveraging federal funds in private sector financial markets in a way that seeks to expand total transportation infrastructure funding. The bill devotes an entire subtitle to this initiative. First, it continues and codifies the existing **state infrastructure bank (SIB) program**. It does not provide specific funding for this initiative, but allows states to deposit other program funds in this activity. Second, it provides a new **infrastructure finance and innovation program** with average annual funding of just over $83.3 million. DOT is directed to operate this program in a way that could leverage up to $1.2 billion annually beginning in FY1998 and rising over time to an annual total of $2.0 billion by FY2003. Finally, the bill creates a **value pricing pilot program** as a successor to the congestion pricing provisions in ISTEA. This $8.0 million per year program will allow for up to 15 projects to demonstrate the potential for using value pricing as a way to fund new infrastructure. The number of toll projects in the pilot program is limited to 3. The range of eligible activities that can receive federal assistance is significantly expanded.

Magnetic Levitation (MAGLEV) Transportation Technology Deployment Program. A significant MAGLEV program was a part of ISTEA. For a variety of reasons the funds authorized for the ISTEA MAGLEV program were never appropriated. The ISTEA II program described in this section may overcome some of the difficulties encountered in the ISTEA program and move MAGLEV from a research subject to a working technology. The program provides $980.0 million for MAGLEV capital projects over the 6-year life of the bill. These funds would be provided at a 2/3 federal, 1/3 state/local/other matching ratio. The program is back loaded and provides only limited funding ($30.0 million) during its first two years. This two year period is designed to allow project sponsors to do planning and line up funding. As written, this provision allows federal spending for a wide range of capital activities related to the creation of a working MAGLEV project. The bill also provides that non-U.S. sponsors may participate in a project funded by the bill and that non-U.S. technology can be used in these projects under certain circumstances.

Federal Lands Highway Program. This provision continues the federal lands highway program found in ISTEA. In addition, the program retains the three subprogram structure found in ISTEA. Most of the language in the bill reauthorizing this proposal can be characterized as being clarifying in intent. For example, the bill clarifies the treatment of the federal lands programs as part of the statewide planning process. Further, the legislation clarifies the role and participation of federal land management agencies in the funding and implementation of federal lands projects. This program received a major funding increase during floor consideration. Average annual funding for this program would be authorized at a level of $603.7 million which is significantly above the ISTEA level.

Cooperative Federal Lands Transportation Program. The legislation adopts this program using the same basic framework that was proposed in STARS 2000. Annual funding for the program, $74.0 million, is well below the level envisioned in the earlier legislation. There is a special provision in this section that requires a state with a national park of more than 3,000 square miles in land area, and more than 2.5 million annual visitors, to use at least one-half of its program funds for transportation projects affecting the park.

Appalachian Development Highway System. The bill moves the existing Appalachian Roads Program into the federal-aid highway program framework in the same manner as NEXTEA and BESTEA. The major difference between this provision and BESTEA is the level of funding. As amended, ISTEA II turns this into a significant highway building activity. The amendment approved increased annual average funding from $50.0 million to $365.0 million. Additional amendments approved by the Senate increased the number of counties in the defined Appalachian region, making them eligible for Appalachian roads program assistance.

Trade Corridor and Border Crossing Planning. Like NEXTEA and BESTEA this legislation focuses assistance on growing infrastructure problems at U.S. borders. The bill focuses on creating a coordinated planning framework for efforts to improve transportation in border regions. Program funds can also be used for border capital projects. Up to $10.0 million of program funds can be used for "the construction of transportation infrastructure necessary for law enforcement in border states". An amendment added on the floor allows use of these funds at airports and seaports affected by increased trade with Mexico and Canada. Average annual funding for the program as amended is authorized at a level of $204.4 million.

Other Provisions.

Woodrow Wilson Memorial Bridge. The legislation requires that DOT enter into an agreement with any "capital region jurisdiction" or "authority" that is willing to accept ownership of the bridge for the purpose of enabling its replacement. The provision provides $900.0 million over 6 years to facilitate this project. Funds are provided for all aspects of the bridge project, but the stated priority use of the funds is actual construction. The level of funding for this project is well above that found in any other bill discussed in this report.

Wetland Restoration Pilot Program. This program is designed to offset the loss of wetlands caused by projects carried out as part of the federal-aid highway program. The program creates a process whereby states can apply for federal assistance based on several selection criteria detailed in the legislation. Average annual funding for this activity is set at $16.7 million. Wetland mitigation is a requirement in new federal-aid highway projects. This program represents a new direction for environmental remediation as a part of the federal-aid program because it focuses on problems created by the program in the past.

Historic Covered Bridge Preservation. An amendment adopted during floor consideration creates a new annual $10 million program for the preservation of covered bridges. Funding is provided for FY1999 - FY2003. Most of the emphasis of this program is on the identification and cataloging of historic covered bridges.

By definition these bridges must be at least 50 years old. The program allows some funding to be used for the preservation and/or rehabilitation of these bridges.

Studies and Reports. The bill requires a number of reports on the effectiveness of the federal-aid highway program and on transportation system needs. Most of these studies are to be preformed by the General Accounting Office (GAO). Studies required by this section include: an evaluation of the highway economic requirement system used by DOT in assessing transportation system needs, a study of state investment plans, and a report on the international roughness index which is used as a measure of pavement quality.

Planning. The bill as introduced provides for a more detailed planning environment than that created by ISTEA. Many of the planning requirements in this section, however, are in the form of recommendations. A significant change added on the floor is the elimination of a requirement for stand-alone major investment studies (MIS) beginning six months after enactment of this provision. Another amendment added on the floor gives local governments a greater say in determining whether abandoned rail right-of-ways can be used as recreational trails.

Program Streamlining. The bill contains a number of elements that can be construed as program streamlining. These provisions do not appear to make as many changes as proposed in BESTEA, but are nonetheless potentially very significant. Among the proposed changes is the possible transfer of almost all NHS project oversight duties to a state that reaches an agreement on project management with DOT. A similar framework can also be requested for state oversight of non-NHS projects. Other provisions of the bill change reporting periods for required state reports, allow design-build contracting in certain instances, and encourage project design flexibility.

Demonstration Projects. There are no demonstration projects in S. 1173. A floor amendment to the bill, aimed at staking out a Senate position during a conference with the House, requires that demonstration projects be subject to any subsequent limitation on obligations placed on the highway program. In addition, the amendment limits the amount of funds that a state can allocate to demonstration programs by use of a formula. This represents a change from how demonstration projects were treated in ISTEA. The provision is intended as a statement on the part of the Senate that it does not want demonstration projects to receive special treatment for budget and minimum allocation purposes.

Transit Program Framework[10]

The Senate Banking, Housing, and Urban Development Committee has created a transit program reauthorization vehicle that differs little from the existing ISTEA transit framework. The legislation as reported creates few new programs. Almost all

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[10] Transit provisions were initially found in S. 1271, The Federal Transit Act of 1997. Full Committee mark-up of this legislation occurred on October 7, 1997. The provisions of this bill were incorporated into S. 1173 as a floor amendment and are now the transit title of the legislation.

other changes proposed by the legislation could be viewed as being of a "perfecting" nature.

As introduced, the bill stayed within the Balanced Budget Act guidelines. Total funding in the bill before floor consideration was set at $36.3 billion over 6 years. Average annual funding prior to floor amendment was just under $6.1 billion, which is slightly less than the amount proposed for transit in BESTEA.

During floor consideration the transit title was subject to a number of amendments. The most important of these is a funding increase of $5.0 billion for the period FY1999-FY2003. These funds are directed to specific programs. The majority of these funds are assigned to capital programs. These funds are provided from U.S. Treasury general funds and as a result are subject to later appropriation. The discussion that follows includes the additional funds provided by this amendment. The remaining amendments to the transit title are mostly of a perfecting nature and will also be part of the program descriptions that follow.

Formula Grant Program. The principal change in the formula grant program is a redefinition of the term "capital project" to include preventive maintenance and intelligent transportation systems (ITS). This redefinition gives transit operators considerable new flexibility in decisions on how to use their available federal funding. The bill places some limits on what activities are included in the preventive maintenance definition. A floor amendment expands the definition of preventive maintenance for para-transit operators. This provision is further viewed as an attempt to compensate transit operators in urbanized areas of over 200,000 in population for the loss of operating assistance funds during the last few appropriations cycles. Funding for the overall formula grant program, which includes the **urban formula grants program, the rural formula grants program, and the elderly and disabled program** is increased to an average annual level of $3.37 billion.

Part and parcel to the preventive maintenance provision is the absence in this section of a designated operating assistance component for urbanized areas of over 200,000 population. Operating assistance for large urbanized areas has been a component of every transit program reauthorization since 1974. Operating assistance for urbanized areas with populations of between 50,000 and 200,000 is not precluded, in the sense that transit operators may use any or all of their formula distribution for operating purposes.

All of the programs in this category received additional funding as a result of the amendment boosting total transit funding. For the **rural formula grants** program the increase is major. An amendment to the additional funding amendment for transit dedicates $100.0 million per year to this program. This is a significant program increase and turns an average $178.8 million per year program into a $248.2 million per year program.

Major Capital Programs. The bill in its unamended form retained the ISTEA funding split of 40%, 40%, 20% for new transit starts (new subways, light rail, etc.), fixed guideway modernization (existing subway and light rail systems), and bus capital projects respectively. There are two modest, but nonetheless significant provisions affecting these programs. The first of these is a limitation of 8% on the amount of new transit start funding that can be used for other than final design and construction. The obvious intent of this section is to put a limit on how much of available funding is available for preconstruction activities. The second new provision is a change in distribution formula for fixed guideway modernization. This provision reserves an amount equivalent to FY1997 funding, $760.0 million for distribution on the same basis as accomplished under ISTEA. The ISTEA fixed guideway modernization program is viewed as having a heavy bias toward funding projects on older fixed rail systems. Funds available to the program above this level are distributed in a way that increases the relative amount of funding available for newer fixed guideway systems. Average annual authorizations for this program as amended are set at $1,301.5 million.

The **new start** program received the largest single share of the additional funding provided for transit. The program receives an additional $470.0 million per year for each year in the FY1999 - FY2003 period. This creates a total annual average program of $1.3 billion during the 6-year authorization period. Another amendment added on the floor, reserves not less than 2.8% of new start funding for a reauthorized **ferry boat systems** program. The bus capital program also received additional funding and receives a $521.6 billion average annual authorization.

An additional floor amendment allows capital assistance from the mass transit account to be used for intercity passenger rail service in any state that does not have Amtrak service. This would constitute a new use for capital program monies.

Job Access Grants and Reverse Commute Grants. The legislation provides $250.0 million per year for a new grant program aimed at giving welfare recipients and others better access to jobs. During floor consideration a **reverse commute program** aimed at assisting urban dwellers commute to jobs in suburban areas was created. The reverse commute program receives $100.0 million per year from total program funds. These funds are available for distribution on a formula basis to urbanized areas on the basis of population size. This program is voluntary and provides 50% federal matching funds. Federal funds available from other agencies can, however, be used as part of the state and local match. This provision corresponds to a Clinton Administration priority and is viewed by supporters as a necessary compliment to recently enacted federal welfare reform.

Clean Fuels Formula Grant Program. The bill creates a new program with an annual authorization of $200.0 million to encourage transit's use of clean fuel technologies[11]. The program allows a wide range of activities which can be viewed as contributing to compliance with federal clean air requirements. The program provides for the purchase of buses, related equipment, construction of fueling facilities, and other infrastructure to support the initiative. Technologies supported by this program include, but are not limited to: liquified natural gas (LNG), compressed natural gas (CNG), biodiesel fuels, alcohol fuels, electric vehicles, fuel cell vehicles, and hybrid vehicles. Funds are available on a formula basis to

[11] The authorization for this program is provided by a take down of up to $100.0 million on an annual basis from the formula grant program and the major capital program.

urbanized areas of various sizes. A maximum of $25.0 million is available on an annual basis for urbanized areas of over 1 million in population. The maximum for urbanized areas of less than 1 million in population is $15.0 million.

Other Provisions.

Planning. The provisions of this section are similar to those proposed in the Highway framework.

Joint Partnership. The bill creates a new "joint partnership program for deployment of innovation". This program allows the Federal Transit Administration (FTA) to join with private and public entities in an attempt to bring the results of major research to market. As envisioned the program would make FTA a partner in these joint ventures. The federal share of any partnership is limited to 50% and any revenues resultant from these partnerships is to be credited to the mass transit account of the highway trust fund.

Leading Issues

Congress has been in the road building business for over 200 years. Transportation is not usually viewed as a partisan issue. To repeat the old saw, there is no such thing as a democratic or republican bridge. As a result, the political dynamics of surface transportation reauthorization are very different from those associated with issues that have partisan overtones. In addition, there are highways, highway users, and highway contractors in all congressional districts. This creates a built-in clientele for highway construction, which is a situation that does not exist for other major transportation activities such as ports and airports.

The question before Congress then is not about whether it should be a participant in the transportation infrastructure business. Rather, the question is about the size and scope of the federal effort and how to pay for it. Because of concerns about the federal budget deficit, most of the discussion about ISTEA reauthorization, until very lately, has been focused on money. Program structure, which was changed dramatically by ISTEA in 1991, has been a secondary issue. As the respective bills move toward conference the structural differences between the two bills will become the primary focus. There are likely to be several contentious issues in conference. The most visible of these being the 1,500 plus, high priority projects in the House bill and the significantly higher levels of funding for transit in the Senate bill. Also at issue are House bill provisions that take the highway trust fund off-budget and requires bill conferees to agree on the budget offsets needed to allow increased spending.

Funding Levels

Every reauthorization of the federal-aid highway program since 1956 has expanded the program in either scope or size, or both. Prior to the beginning of the 105th Congress, there was an expectation that the drive to balance the federal budget might end this trend. Based on legislation introduced in the 105th Congress to date, however, it would appear that program proponents expect growth in the program to continue, and, at a dramatically higher level of funding. The belief that higher funding levels can and should be made available has been further enhanced by Congressional Budget Office forecasts of a possible budget surplus in the years ahead.

The federal-aid highway program, and all other transportation programs reauthorized by this act, are part of the discretionary portion of the federal budget. Under current budget rules, additional spending for most items can only be accommodated by cuts in other discretionary categories and/or identified increases in federal revenues. Proponents of higher spending, which includes the proponents of the bills discussed in this report, are faced with the problem of convincing the respective House and Senate Budget Committees that additional funding for highways can be approved in accordance with the Balanced Budget Act of 1997. Revision of the discretionary caps in the budget can only be accomplished in the FY1999 congressional budget resolution.

At the time of this writing, the Senate has substantially increased funding for the highway program. The Senate Budget Committee in its proposal for the FY1999 budget resolution has identified a number of offsets for the additional highway spending. These same offsets were proposed by the Clinton Administration as part of its budget submission. The Administration, however, intended to use these offsets to fund new education and other social programs. The House, based on a Leadership agreement reflected in the bill, has moved the issue of offsets to the conference committee. While the Administration has not yet threatened a veto of the highway bill because of these offsets, it has expressed its serious concern about these decisions vis-a-vis the understandings included in the Balanced Budget Act of 1997.

Some observers hoped that the possible debate over taking the transportation trust funds off-budget or identifying some other possible trust fund budget treatments, could be obviated if Congress provides for a large increase in highway spending. This apparently will not be the case. H.R. 2400 as passed contains provisions that will take the highway trust fund off-budget. The House proposal does make some changes in the way that off-budget treatment would be provided. It is unclear, however, that these provisions will be acceptable in the Senate, where there is no comparable provision in its legislation, or to the Clinton Administration which has opposed the off-budget initiative in the past.

Formulas, Equity, and the Donor/Donee Issue

Rapidly developing states and rural states have traditionally favored greater state control over program decisions. States with aging infrastructure and significant urban populations have tended to favor the more structured, yet flexible approach embodied in ISTEA. The donor/donee argument also plays a role in the choice of program structure, with donor states typically favoring a less structured program and donee states favoring the more formal structure.

Formulas are the crux of the equity debate and have always been one of the most controversial elements of the federal-aid highway program. Based on the formula proposals embodied in the bills discussed in this report, a continuation of this controversy is likely. Each of the bills has chosen its own formulas and formula variables. These choices reflect the philosophical position of the two bills. The Senate bill appears to be closer in program structure to proposals favored by donor states. The House bill, however, is also attractive to donors in terms of how its dollars are distributed. Donee's are also likely to be torn between features of each bill.

A related issue in the formula debate is the data behind the variables. There are well known questions, for example, about the absolute accuracy of how federal fuel tax contributions are assigned to states, because of where and how the data are collected. These kinds of issues might also be raised about other variables suggested in bills introduced to date. In a $29.0 billion federal-aid highway program, a tenth of a percent change in a distribution scheme equates to a $29.0 million dollar swing in funding. Small changes in the data embodied in formulas, therefore, have the potential to make dramatic changes in funding outcomes.

Some have suggested during the reauthorization debate that money solves all formula problems. What this means, is that a large increase in program authorizations, giving all states significant new funding authority, makes a lot of the debate about program structure secondary. As a result, it becomes possible for proponents of different structural positions to compromise on programs and formulas. Whether this scenario is true or not remains to be seen.

High Priority Projects (Demonstration Projects)

ISTEA contained 539 designated highway projects. These "demonstration projects" were viewed as essential expressions of congressional priorities by supporters and as pork barrel items by opponents. Typically, projects are a House priority. The Senate just as typically opposes them preferring instead to focus on formulas and leave the project selection process to the states. As a result of these differing approaches, the issue of projects almost always becomes an important element at the conference committee stage.

The House bill as passed contains just over 1,500 projects of all types in the highway title. A total of $9.0 billion is specifically authorized for highway projects alone. The Senate bill as expected has a minimum of references to specific projects. In 1991, the Senate acquiesced to the demonstration project provisions in conference and added some projects of its own at that time. Provisions in both House and Senate bills that make demonstration projects part of minimum allocation computations may, or may not, favor the relative view of demonstration projects in either body. The Senate is likely to strongly object to the House's proposal to place demonstration projects outside any future limitation on obligations contained in appropriations legislation. The Senate bill has a provision requiring that projects be subject to obligation limitations.

The Clinton Administration has expressed concern about the demonstration project provisions in the House bill, but again as is the case in the off-budget issue, has not yet threatened a veto. An added element in this year's debate is the possibility that the presidential line item veto could be used on high priority projects.

It remains to be seen, however, whether the line item veto will still be in place at the time this legislation is enacted.[12]

Transit

Transit funding has not been a controversial element in the ongoing reauthorization debate. This situation might change during floor consideration of this legislation, however. Most of the changes in the transit program, with a couple of exceptions, are in keeping with the general policy interests of the transit industry and the Clinton Administration.

As expected, one issue did generate controversy during Senate floor consideration. This is the equity issue, long a part of the highway debate, but a new issue for the transit program. Equity, that is a federal program contribution for each state, has not been a component of the transit program. Some Senators introduced the equity issue during debate about the Senate's additional transit funding amendment and basically threatened to vote against the amendment unless a transit minimum allocation scheme of some sort was created. In the view of equity proponents such a scheme would insure that states without significant transit operations had access to some of the funding provided to the mass transit account resultant from fuel taxes collected in the state. The Senate largely side-stepped the issue for the moment by adopting a compromise position and increasing funding for the existing rural formula grants program. A minimum allocation provision is not included in the passed version of H.R. 2400.

A minium allocation scheme would represent a major change in the structure of the transit program which has always emphasized aid to urban transit systems as its principal goal. Transit supporters believe minimum allocation would dilute the transit program at the expense of the nation's transit systems. It is their view that transit needs are just as great as highway needs and that any dilution of available transit funding could leave the documented needs of urbanized areas unmet. At the same time, they are concerned that this proposal will upset the delicate balance between highway and transit interests that has been forged since highway and transit legislation were combined in 1973.

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[12] U.S. Library of Congress. Congressional Research Service. *Line Item Veto Act of 1996: Impact on Authorizing Committees.* By Louis Fisher. CRS Report 98-12 GOV.

Table 1: Federal-aid Highway and Transit Program Legislation: Average Annual Program Authorizations ($ millions)[a]

Highway Programs	P.L. 102-240 (ISTEA)(Average Annual)	H.R. 2400 (BESTEA)(Estimated Average Annual)	S. 1173 (ISTEA II)(Estimated Average Annual)
National Highway System (NHS)	3,500.0	5,874.2	12,090.0[b]
Interstate maintenance	2,833.3	4,751.2	[c]
High Cost Interstate Construction & Improvement	—	772.0	—
Surface Transportation Program (STP)	3,983.3	6,621.5	7,155.0
Transportation Enhancements[d]	398.3	662.2	572.4
Safety[e]	398.3	662.2	715.5
High Risk Road Safety Improvement	—	958.3	—
Highway Infrastructure Safety Program	—	—	—
CMAQ	1,000.0	1,663.0	1,175.5
Bridge	2,683.3	4,465.2	[f]
Interstate reimbursement	[g]	—	—
SIB & credit enhancements	—	—	[h]
Appalachian Roads	—	375.0	365.0
Equity adjustments	2,751.8	1,354.1	[i]
Additional Funding Provisions	---	---	---
New Contract Authority	---	---	3,156.0
High-Density Program	---	---	300.0
Bonus Program	---	---	318.0
Additional Funding	---	---	58.3
Border Infrastructure & Safety	—	95.0	204.4[j]
Corridor Planning & Development	—	208.3	—
Federal lands total	443.3	488.6	603.7
Indian roads	185.7	207.0	241.7
Public lands highways	166.7	59.7	213.7
Park roads & parkways	81.0	94.6	148.3
Forest highways	[k]	127.3	—
Cooperative federal lands	—	—	74.0
Scenic byways	8.3	30.0	19.3
Recreational trails	30.0	45.0	21.8
High Priority Projects (demo projects)	1,038.1	1512.5	—
Total Highways	20,135.2	29,870.0	27,427.2[l]

Transit Programs	P.L. 102-240 (ISTEA)(Average Annual)	H.R. 2400 (BESTEA)(Estimated Average Annual)	S. 1271 (ISTEA II)(Estimated Average Annual)
Formula Grant Programs	2,900.1	3,413.4	3,370.0
Urban Formula Grants (Section 5307)	2,682.6	3,148.2	3,034.5
Rural Formula Grants (Section 5311)	156.1	183.3	248.2
Elderly and Disabled (Section 5310)	71.4	81.9	87.3
Major Capital Programs (Discretionary) (Section 5309)	2,070.4	2,510.2	2,816.2
New Starts	828.1	1,004.1	1,301.5
Fixed Guideway Modernization	828.1	1,004.1	993.2
Bus Capital	414.1	502.0	521.6
Transit Planning and Research	157.5	96.6	181.5
Access to Jobs and Reverse Commute	—	150.0	250.0
Clean Fuel Program	—	—	*(200.0)*[m]
University Transportation Centers	7.0	6.0	6.0
FTA Administrative Costs	50.7	50.7	58.1
Total Transit	5,249.8	6,221.0	6,881.8

[a] Table shows authorizations as found in appropriate legislation. Mandatory take-downs for administration and other activities are not shown. Each bill provides funds for U.S. Territories, not reflected in the table. Totals may not agree due to rounding and funding for programs not displayed in the table.

[b] This program is renamed the Interstate and National Highway System (INHS).

[c] The interstate maintenance program is a set-asides within INHS funded at $4,701.8 million.

[d] Transportation enhancements are percentage set-asides in ISTEA and BESTEA.

[e] Safety is a percentage set-aside in ISTEA and BESTEA.

[f] The interstate bridge program is a set-aside within INHS funded at $1,431.2 million.

[g] Interstate reimbursement was an equity adjustment in ISTEA. The Act provided $2.0 billion in FY1996 and FY1997.

[h] The bill allows other program funds to be used for SIBs and creates a new infrastructure finance and innovation program funded at an average annual level of $83.3 million.

[i] The bill does not provide a specific authorization for equity programs which are formula driven. FHWA estimates are that transition program funding is slightly more than $830.0 million on an annual basis and that the minimum guarantee program will provide just over $1.3 billion on an annual basis.

[j] This is the total of 3 programs in the legislation dealing with trade corridor and border infrastructure.

[k] ISTEA made forest highways a subsection of the public lands highway program.

[l] Total includes several large programs not shown in the table such as: MAGLEV, intelligent transportation systems funding, Woodrow Wilson bridge replacement, highway safety, and research and development funds.

[m] There is no separate authorization for the Clean Fuels Program. Funds authorized for this program may be derived from formula grants, major capital grants, or a combination of the two programs.

Table 2: Comparison of Average Annual Apportionments for ISTEA, BESTEA (6 years), and ISTEA II (as Amended)

(Dollars in Thousands)

	ISTEA		BESTEA (6 year Avg.)		ISTEA II (as Amended)	
State	**$**	**%**	**$**	**%**	**$**	**%**
Alabama	330,307	1.8059%	552,243	1.9970%	504,020	1.9970%
Alaska	212,564	1.1622%	281,551	1.0181%	312,965	1.2400%
Arizona	255,527	1.3971%	429,482	1.5531%	391,979	1.5531%
Arkansas	263,084	1.4384%	359,591	1.3003%	335,680	1.3300%
California	1,672,645	9.1451%	2,541,688	9.1911%	2,309,150	9.1491%
Colorado	201,166	1.0999%	337,687	1.2211%	321,846	1.2752%
Connecticut	353,399	1.9322%	353,978	1.2800%	433,175	1.7163%
Delaware	72,873	0.3984%	103,461	0.3741%	118,624	0.4700%
Dist. of Col.	92,211	0.5042%	110,128	0.3982%	114,054	0.4519%
Florida	763,285	4.1732%	1,273,337	4.6046%	1,162,146	4.6046%
Georgia	538,293	2.9431%	969,485	3.5058%	884,828	3.5058%
Hawaii	126,673	0.6926%	138,892	0.5023%	150,834	0.5976%
Idaho	125,172	0.6844%	164,528	0.5950%	206,960	0.8200%
Illinois	684,218	3.7409%	1,074,358	3.8850%	839,603	3.3266%
Indiana	409,053	2.2365%	672,632	2.4323%	613,897	2.4323%
Iowa	220,964	1.2081%	343,996	1.2439%	333,054	1.3196%
Kansas	210,317	1.1499%	330,747	1.1960%	330,469	1.3094%
Kentucky	282,429	1.5442%	479,719	1.7347%	437,829	1.7347%
Louisiana	264,360	1.4454%	450,465	1.6289%	447,965	1.7749%
Maine	117,841	0.6443%	138,340	0.5003%	144,825	0.5738%
Maryland	307,274	1.6800%	416,703	1.5069%	380,316	1.5069%
Massachusetts	830,961	4.5432%	590,651	2.1359%	448,470	1.7769%
Michigan	515,698	2.8196%	872,386	3.1547%	796,208	3.1547%
Minnesota	281,012	1.5364%	423,153	1.5302%	377,304	1.4949%
Mississippi	202,580	1.1076%	329,884	1.1929%	318,328	1.2613%
Missouri	404,874	2.2136%	662,521	2.3958%	600,576	2.3795%
Montana	161,873	0.8850%	179,248	0.6482%	267,534	1.0600%
Nebraska	142,455	0.7789%	226,919	0.8206%	211,924	0.8397%

Nevada	117,453	0.6422%	159,163	0.5756%	184,245	0.7300%
New Hampshire	88,538	0.4841%	122,218	0.4420%	131,243	0.5200%
New Jersey	521,721	2.8525%	764,973	2.7662%	608,262	2.4100%
New Mexico	178,644	0.9767%	251,070	0.9079%	265,010	1.0500%
New York	1,002,986	5.4838%	1,480,162	5.3525%	1,287,445	5.1010%
North Carolina	479,459	2.6214%	781,576	2.8263%	713,327	2.8263%
North Dakota	116,407	0.6364%	129,049	0.4667%	184,245	0.7300%
Ohio	656,437	3.5890%	1,043,757	3.7744%	868,982	3.4430%
Oklahoma	260,176	1.4225%	419,602	1.5173%	397,747	1.5759%
Oregon	213,094	1.1651%	337,180	1.2193%	325,000	1.2877%
Pennsylvania	890,935	4.8711%	1,422,897	5.1454%	956,091	3.7881%
Rhode Island	106,168	0.5805%	116,072	0.4197%	146,387	0.5800%
South Carolina	232,381	1.2705%	439,396	1.5889%	401,027	1.5889%
South Dakota	119,605	0.6539%	144,907	0.5240%	196,865	0.7800%
Tennessee	365,874	2.0004%	632,637	2.2877%	571,203	2.2632%
Texas	1,169,888	6.3963%	1,903,745	6.8842%	1,737,506	6.8842%
Utah	130,229	0.7120%	227,456	0.8225%	217,639	0.8623%
Vermont	79,601	0.4352%	106,128	0.3838%	118,624	0.4700%
Virginia	415,589	2.2722%	707,763	2.5594%	645,959	2.5594%
Washington	341,531	1.8673%	524,833	1.8979%	463,929	1.8381%
West Virginia	210,050	1.1484%	311,790	1.1275%	257,663	1.0209%
Wisconsin	351,947	1.9243%	565,178	2.0438%	458,480	1.8165%
Wyoming	115,254	0.6301%	148,408	0.5367%	191,817	0.7600%
Puerto Rico	82,980	0.4537%	106,128	0.3838%	115,814	0.4589%
Total	18,290,053	100.0000%	27,653,862	100.0000%	25,239,073	100.0000%

Note: ISTEA Average includes all apportioned funds AND Demos.
All other Averages include all apportioned funds, EXCEPT Demos and Federal Lands.
BESTEA Average is based on Full Committee Estimate, 2-24-98, 8:00am.

Source: United States Department of Transportation, Federal Highway Administration