

Friday, September 15, 1978

HIGHWAY - TRANSIT ALERT

Dear Representative:

This letter is addressed to you on behalf of the thousands of businessmen, state and local officials, and taxpayers represented by the undersigned national associations. For more than two years, we have worked together in search of a sound Federal-aid surface transportation program which can address the priority needs of both highways and public transit. The focal point of this effort has been the Surface Transportation Subcommittee of the House Committee on Public Works and Transportation.

The product of this massive effort is H.R. 11733. We are proud to support this comprehensive, bi-partisan bill.

The funding requirements of the bill have been carefully scrutinized by the Ways and Means Committee. The bill requires no new taxes or increases in existing taxes. This feature of the legislation is a major accomplishment, considering the critical deficiencies which exist in our highway and public transit systems.

We are deeply concerned that the bill is being attacked on the grounds of extravagance. The restriction on authorizations proposed in the amendment offered by Congressman Robert Giaimo is essentially the same one that was carefully considered and finally rejected by the Ways and Means Committee. At that time, it was known as the Gibbons-Conable Amendment.

After the discussions raised before the Ways and Means Committee, Chairman James J. Howard of the Subcommittee on Surface Transportation, announced his intention to offer a floor amendment reducing the level of authorizations in H.R. 11733. We support the Howard Amendment!

The table below indicates the authorization level for fiscal years (1979-1993) that would result from the amendment proposed by Chairman Howard (reducing Highway Trust Fund authorizations by \$1 billion annually). For purposes of the analysis, a slight increase in authorizations is projected for 1983-1993. Of course, the levels of funding for those years would be determined by legislation approved by a future Congress.

Highway Trust Fund
Projection Schedule Thru FY 1993
(Millions of Dollars)

7-24-78
Table 3

<u>Fiscal Year</u>	<u>Authorizations</u>	<u>Obligations</u>	<u>Low Range Revenue</u>	<u>Expenditures</u>	<u>Balance</u>
Estimated thru 9-30-78	\$107,600	\$101,152	\$100,636	\$89,378	\$11,258
1979	10,404	10,404	8,086	8,382	10,962
1980	10,138	10,138	8,269	9,717	9,514
1981	10,223	10,223	8,448	9,865	8,097
1982	10,227	10,227	8,645	9,960	6,782
1983	10,700	10,700	8,873	10,093	5,562
1984	10,700	10,700	9,105	10,445	4,222
1985	10,700	10,700	9,358	10,582	2,998
1986	10,700	10,700	9,660	10,679	1,979
1987	10,700	10,700	9,934	10,668	1,245
1988	10,700	10,700	10,176	10,673	748
1989	10,700	10,700	10,416	10,685	479
1990	10,700	10,700	10,730	10,695	514
1991	10,700	10,700	10,933	10,700	747
1992	10,700	10,700	11,169	10,700	1,216
1993	10,700	10,700	11,351	10,700	1,867
<u>Total</u>	266,292	259,844	245,789	243,922	-

--THIS TABLE INDICATES THE EFFECTS OF THE HOWARD REDUCING AMENDMENT.

.... The \$11 billion balance in the Trust Fund will be reduced, but no deficit will be created

.... There will be no need to provide additional gas taxes in the future to finance the proposed authorizations in the Howard Amendment.

.... There will be no need to make any reductions in the authorization levels in the future if the proposed levels are adopted by Congress.

We agree that deficit spending from the Highway Trust Fund is fiscally unsound. We favor prudent management of the Fund. The projections presented by the Department of Transportation and the Treasury demonstrate the fact that the authorization levels proposed by Congressman Howard are consistent with this position.

We oppose program levels that would cause deficits in the future.

We oppose program levels that are so low as to create surpluses of the tax revenues that are not put to the use they were intended (for the funding of an effective highway program).

We oppose the amendment by Congressman Robert Giaimo because the practical effect of the amendment would result in the increase of approximately \$1.5 billion during the next four years to the existing \$11.4 billion Trust Fund balance.

We urge you to support H.R. 11733.

American Association of State Highway and Transportation Officials
American Bus Association
American Concrete Pipe Association
American Public Transit Association
American Road & Transportation Builders Association
American Trucking Associations
Asphalt Institute, The
Associated Builders and Contractors, Inc.
Associated Equipment Distributors
Associated General Contractors of America
D. C. Road Builders Association
Highway Users Federation
International Bridge, Tunnel & Turnpike Association
International Road Federation
Maryland Highways Contractors Association
National Asphalt Pavement Association
National Association of Counties
National Association of Surety Bond Producers
National Automobile Dealers Association
National Crushed Stone Association
National Governors Association
National League of Cities
National Lime Association
National Limestone Institute
National Ready Mixed Concrete Association
National Sand and Gravel Association
National Slag Association
Private Truck Council
Salt Institute, The
U. S. Conference of Mayors
Virginia Road and Transportation Builders Association