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LESTER EDELMAN, COUNSEL  
LARRY REIDA, MINORITY COUNSEL  
ROBERT K. DAWSON, ADMINISTRATOR

# Committee on Public Works and Transportation

## Congress of the United States House of Representatives

Room 2165, Rayburn House Office Building

Washington, D.C. 20515

TELEPHONE: AREA CODE 202, 225-4472

September 19, 1978

Dear Colleague:

On Thursday, September 21, the House will act on H.R. 11733, the Surface Transportation Assistance Act of 1978, which for the first time combines in one bill Federal-aid highway, highway safety and public transportation programs, and extends the life of the Highway Trust Fund.

This bill is a direct response to undisputed needs of surface transportation, significantly expanding Federal assistance in the public transportation area, sharply increasing emphasis on rehabilitating existing highways and the massive problem of unsafe bridges, and accelerating completion of the Interstate System.

Mindful of public and Congressional concern over total levels of Federal spending, the leadership of the Surface Transportation Subcommittee will offer an amendment to reduce the highway authorizations by \$1 billion and public transportation by \$400 million annually. We strongly urge your support for the bill and this amendment.

Individual preferences might well vary with respect to the distribution of the reductions. But they are derived principally from those areas slated for the largest increases. And, as amended, the bill will provide sufficiently substantial increases in areas of highest priority to merit your strong support.

This package also merits support on grounds of fiscal integrity. Its highway component, chiefly financed by the Highway Trust Fund, can be sustained by the Fund as it has traditionally operated since its establishment in 1956. There will be no deficit in the Fund, no need for a tax increase or other new revenue source, no need for future decreases in program levels.

The outlays to result from the highway authorizations in this bill will be fully covered by receipts flowing into the Trust Fund, plus partial use of the unnecessarily high \$11 billion balance now in the Fund. The Department of Transportation has acknowledged that use of the balance in this manner is a sound means of increasing program levels without raising gasoline or other highway-user taxes.

This package is also economically sound. As noted in the Committee Report accompanying H.R. 11733 (No. 95-1465), the bill, taken alone, will not cause inflationary pressure on the economy. With further respect to inflation, we deem it prudent to attack the enormous backlog of unmet needs at the highest level the Trust Fund will safely sustain as a hedge against inflation which unquestionably afflicts construction as well as other programs.

For the foregoing reasons, we also urge you to join in opposing the anticipated Giaino amendment, which would permanently alter the Trust Fund mechanism to hold program levels far below what the Fund can safely sustain. The practical effect of the Giaino amendment would be to prevent constructive use of the impoundment-created Trust Fund balance, increasing it substantially, and thereby reinstituting impoundment under control of the Administration. This issue was thoroughly aired by the Committee on Ways and Means and language virtually identical to the Giaino amendment, known as the Conable-Gibbons amendment, was not adopted.

(Over)



# Eno

This amendment remains unnecessary, is bad public policy, and does violence to one of the few Federal funding mechanisms that have worked effectively and fairly. The public contributes highway user taxes to pay for better and safer roads, not to build up a balance in the Treasury.

Again, we earnestly solicit your support for the bill, for our fund-cutting amendment, and for our Committee's position as we confront an undoubtedly difficult Conference with the Senate, whose authorization levels are demonstrably inadequate. If you have any questions, have your staff contact Lloyd Rivard (X-54472) or Jack Schenendorf (X-52225).

Sincerely,

Bill Harris

Bob Shuster

Don Blum

Jim Chandler

Mike Rehall

Phil H.

Tom Dequaden

Alan Hangerford

Ed B. B. Hefner

Frank J. Johnson

Jim Howard

Robert A. Fox

John Breany

James J. Nunn

Wilhelm Damm

John E. Rupp

Brig. Gen. H. H. H.

Jerome R. Rupp

Bob Edgar

Mod Cochran



Effect of Giaino Amendment on F.Y. 1979 Apportioned Highway Funds (FHWA) (After The Howard Cuts) (\$ Thousands)				
STATE	FY '79 (Howard)	FY '79 (Giaino)	Howard Change From FY '78	Giaino Change From FY '79 (Howard)
ALABAMA	\$ 169,264	\$ 138,710	+ 48,645	- 30,554
ALASKA	132,516	108,595	+ 37,684	- 23,921
ARIZONA	128,385	105,210	+ 22,508	- 23,175
ARKANSAS	89,725	73,529	+ 38,494	- 16,196
CALIFORNIA	562,054	460,596	+ 122,918	- 101,458
COLORADO	113,615	93,106	+ 3,598	- 20,509
CONNECTICUT	144,876	118,724	+ 25,369	- 26,152
DELAWARE	41,227	33,785	+ 11,549	- 7,442
DIST. OF COL.	88,259	72,327	+ 19,250	- 15,932
FLORIDA	255,413	209,308	+ 69,252	- 46,105
GEORGIA	206,642	169,341	+ 56,398	- 37,301
HAWAII	68,369	56,028	+ 13,303	- 12,341
IDAHO	60,058	49,217	+ 15,462	- 10,841
ILLINOIS	373,980	306,472	+ 57,543	- 67,508
INDIANA	129,034	105,742	+ 33,505	- 23,292
IOWA	140,329	114,998	+ 44,939	- 25,331
KANSAS	136,097	111,530	+ 45,308	- 24,567
KENTUCKY	192,678	157,897	+ 73,959	- 34,781
LOUISIANA	229,419	188,006	+ 75,466	- 41,413
MAINE	50,638	41,497	+ 15,547	- 9,141
MARYLAND	223,475	183,135	+ 51,368	- 40,340
MASSACHUSETTS	213,047	174,589	+ 51,944	- 34,458
MICHIGAN	241,902	198,236	+ 54,164	- 43,666
MINNESOTA	202,720	166,127	+ 57,205	- 36,593
MISSISSIPPI	89,726	73,529	+ 21,328	- 16,197
MISSOURI	188,835	154,748	+ 46,393	- 34,087
MONTANA	81,012	66,388	+ 14,279	- 14,624
NEBRASKA	83,228	68,204	+ 29,636	- 15,024
NEVADA	66,903	54,826	+ 15,268	- 12,077
NEW HAMPSHIRE	49,980	40,958	+ 17,764	- 9,022
NEW JERSEY	187,420	153,588	+ 47,016	- 33,832
NEW MEXICO	81,064	66,431	+ 17,631	- 14,633
NEW YORK	475,274	389,481	+ 139,654	- 85,793
NORTH CAROLINA	189,053	154,927	+ 56,522	- 34,126
NORTH DAKOTA	58,310	47,784	+ 15,968	- 10,526
OHIO	294,495	241,335	+ 68,675	- 53,160
OKLAHOMA	90,998	74,572	+ 27,965	- 16,426
OREGON	123,712	101,380	+ 24,544	- 22,332
PENNSYLVANIA	410,784	336,632	+ 106,539	- 74,152
RHODE ISLAND	72,978	59,805	+ 28,466	- 13,173
SOUTH CAROLINA	110,646	90,623	+ 40,092	- 19,973
SOUTH DAKOTA	58,237	47,724	+ 16,737	- 10,513
TENNESSEE	186,148	152,546	+ 59,736	- 33,602
TEXAS	450,758	369,391	+ 109,666	- 81,367
UTAH	76,131	62,388	+ 15,839	- 13,743
VERMONT	50,959	41,760	+ 18,604	- 9,199
VIRGINIA	274,712	225,123	+ 76,186	- 49,589
WASHINGTON	218,994	179,463	+ 64,661	- 39,531
WEST VIRGINIA	129,960	106,501	+ 31,341	- 23,459
WISCONSIN	143,983	117,992	+ 46,929	- 25,991
WYOMING	59,965	49,141	+ 13,873	- 10,824
TOTAL				
AMERICAN SAMOA	570	467	+ 81	- 103
GUAM	570	467	+ 81	- 103
PUERTO RICO	37,362	30,618	+ 12,828	- 6,744
VIRGIN ISLANDS	570	467	+ 81	- 103
GRAND TOTAL	\$ 3,537,059	\$ 2,996,014	+ 2,229,761	- 1,541,045

FOOTNOTES :

Table Prepared by Public Works Staff from D.O.T. Data  
Comparison includes Interstate, Primary, Secondary and Urban Systems, Planning,  
Bridge Replacement, High Hazard/Roadside Obstacles, Rail Highway Crossings, 402 F.H.W.A.,  
Traffic signals and Forest Highways. Giaino amendment would cut an additional esti-  
mated \$319 million from other trust fund financed programs for a total cut of \$1.86  
billion below Howard levels in FY '79.