

HIGHWAY AND TRANSIT PROGRAMS

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MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSALS FOR IMPROVING THE ORGANIZATION AND  
OPERATION OF THE FEDERAL GOVERNMENT'S HIGHWAY  
AND TRANSIT PROGRAMS



JANUARY 26, 1978.—Message referred to the Committee of the Whole  
House on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1978



*To the Congress of the United States:*

I am today transmitting to Congress proposed legislation that will significantly improve the organization and operation of the Federal Government's highway and transit programs.

One of the Administration's important goals is to develop a well balanced national transportation policy, one which takes account of our increased sensitivity to the effects of transportation on the social and economic life of our cities and rural communities. The reforms which are proposed in this legislation are designed to make certain that the nation has an effective transportation system, which uses energy more efficiently, enhances the quality of life in our urban and rural areas, and helps expand our economy.

The program I am proposing will intensify the Federal effort to complete the Interstate System and provide flexible assistance for highway construction and transit development. The legislation would authorize more than \$50 billion over the next five years and proposes the following changes to meet national transportation needs:

- a comprehensive transportation planning program;
- measures to speed completion of the Interstate System and to improve maintenance;
- consolidation of more than 30 highway and public transportation grant programs into fewer and more flexible programs for both rural and urban areas;
- a uniform Federal share for all grant programs except Interstate construction and Interstate transfer projects;
- focusing the transit discretionary program on major investments;
- an expanded bridge replacement and rehabilitation program;
- a unified safety program; and
- greater flexibility for state and local governments to pursue their own priorities.

To achieve our objectives in this area, we propose a reorganization of a variety of highway and transit programs into a simpler and more manageable system of Federal assistance. Certain aspects of our new approach to these programs should be emphasized.

*Transportation Planning*

To promote more efficient short-range and long-range planning by state and local officials, I propose to consolidate highway and transit planning funds and to distribute these funds as a single grant, under a formula to be determined by the Secretary of Transportation.

Planning grants will be made directly to designated metropolitan planning organizations in urbanized areas over one million in population. The Secretary will review transportation plans for such areas to ensure that they take reasonable account of such issues as air quality, energy conservation, environmental quality, accessibility to employment, effect on minorities, housing, land use and future development. The planning process for other areas will be strengthened as well.

### *Interstate System*

Our first priority will be to complete the essential gaps in the Interstate System. Fifty percent of the apportionment formula will be based on the cost to complete the essential gaps and fifty percent on the cost to complete the total system. Highway projects substituted after an Interstate withdrawal will be funded from a state's Interstate apportionment, and substitute mass transit projects will be funded from the General Fund. Interstate substitute projects, both highway and transit, will be eligible for a ninety percent Federal share.

States will be required to have completed the Environmental Impact Statement process or to have submitted an application for an Interstate withdrawal on all uncompleted segments of the Interstate by September 30, 1982. Segments which have not met either requirement will be removed from the system. All incomplete Interstate segments must be under contract for construction and initial construction must have commenced by September 30, 1986.

### *Federal-Aid Primary System*

To simplify an unduly restrictive funding structure, seven highway categories will be consolidated into a single Primary program. Funds will be apportioned by a formula specified in the legislation and the Federal share will be eighty percent. Up to fifty percent of a state's primary system funds may be transferred to the urban highway or the small urban and rural transportation programs.

### *Urban Formula Grants*

Two compatible programs will be established, one for highways and one for transit, for all urbanized areas with a population of 50,000 or more. The highway program will consolidate five categorical programs, and all urban roads not on the Interstate or primary systems will be eligible for assistance. The transit program will provide assistance for the acquisition, construction and improvement of facilities and equipment for use in public transportation services and the payment of operating expenses, including commuter rail operating expenses.

Funds will be apportioned by formula and the Federal share for capital projects will be eighty percent. The highway formula will be based on urbanized area population. Up to fifty percent of the urban highway funds may be transferred to the Primary program or to the small urban and rural program. Up to fifty percent of the transit funds may be transferred to the highway program. Highway funds will continue to be available for transit capital projects.

Governors and local officials will be required to designate a recipient or recipients for urban highway funds in urbanized areas with a population of one million or more. By this step we will significantly improve the opportunity for large cities to become more involved in the planning and programming of their highway systems. Urban highway funds for areas with small populations will go to the State.

### *Urban Discretionary Grant*

This transit grant program will be focused on major expansion of bus fleets and new fixed guideway projects, including extensions of existing systems, and joint development projects.

*Small Urban and Rural Formula Grant*

To meet the unique needs of small cities and rural communities, we propose a consolidated grant program for highways and transit for all areas with a population below 50,000, with the state as the recipient.

Nine categorical highway programs will be consolidated into this new program, and all public roads not on the Interstate or primary systems will be eligible for assistance. The new program will provide assistance for both capital and operating expenses for public transportation in small urban and rural communities. Authorization for this program would come out of the Highway Trust Fund, but the Trust Fund would be reimbursed out of the General Fund for transit operating expenses.

*Safety Program*

To allow more flexible and rational use of funds, six highway safety programs will be consolidated into a single safety grant to states, with the Federal share at eighty percent.

*Bridge Program*

For the first time states will be able to use substantially increased funds for rehabilitation as well as replacements of deteriorating bridges. The Federal share will be eighty percent, and up to thirty percent of the funds will be available for bridges not on the Federal-aid highway systems.

*Authorizations*

The proposed authorizations are designed to permit better long-term planning by those responsible for both highway and transit development. The Highway Trust Fund will be extended for an additional four years. The formula grant programs will be authorized for a four-year period, and the urban discretionary grant program will be authorized for a five-year period.

In proposing the reforms contained in this legislation I recognize the critical relationship between transportation, energy and development in urban and rural areas. I believe that these proposals will lead toward energy conservation and better land use. The enactment of this legislation will bring new opportunities and responsibilities to state and local officials, will respond to the problems of the present programs, and will help to place the surface transportation system on a sound financial basis.

I ask the Congress to move promptly to pass this highway and transit legislation.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1978.*

