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`SEC. 17. (a) GOVERNOR'S DISCRETION- The funds provided for under subsection (d) shall be available each year to the Governor to allocate under sections 16(b), 18, and 9 (for urbanized areas of less than 200,000 in population) as the Governor deems appropriate.

`(b) ANNUAL GRANTS- After allocation of such funds, the Governor shall submit the programs of projects to be funded under sections 9, 16(b) and 18 to the Secretary. Upon approval by the Secretary of such programs, the Governor shall enter into a single grant agreement for the program of projects under each of such sections or for all such sections.

`(c) ADMINISTRATIVE EXPENSES- The Governor may use funds available under this section for administering projects funded under this section and for providing technical assistance to recipients of funds under this section, subject to the local share provisions of sections 9, 16(b), and 18.

`(d) FUNDS COVERED- Subsection (a) shall apply to funds made available under--

    `(1) section 21(b)(3);

    `(2) section 21(d); and

    `(3) section 21(e) for urbanized areas of less than 200,000 in population.

`(e) CERTIFICATION ON TRANSIT NEEDS- Before funds under this section may be made available to construct a highway project under section 9 or 18, the Governor, with the concurrence of urbanized areas of less than 200,000 in population, shall certify that no priority transit needs are unmet among such urbanized areas in the State.

`(f) NATIONAL ENVIRONMENTAL POLICY ACT- The provisions of section 9(r) of this Act shall apply to the approval of projects under this section.

`(g) TRIENNIAL REVIEWS- The Secretary shall, not less than once every 3 years, perform a full review and evaluation of the performance of the Governors in carrying out this program, with specific reference to compliance with statutory and administrative requirements, and consistency of actual program activities with such requirements.'

#### **SEC. 430. SECTION 18--NONURBANIZED AREA FORMULA PROGRAM--OPERATING ASSISTANCE LIMITATION.**

Section 18 of the Act (49 U.S.C. app. 1614) is amended by striking subsection (d) and substituting the following:

`(d) The amount of the funds apportioned to each State under this section which may be used for operating assistance shall not exceed the amount of funds apportioned to each State in fiscal year 1991 under this section.'

#### **SEC. 431. SECTION 18--NONURBANIZED AREA FORMULA PROGRAM--FEDERAL SHARE.**

Section 18(e) of the Act (49 U.S.C. app. 1614(e)) is amended by striking in the first sentence `80' and substituting `60'.

**SEC. 432. SECTION 18--NONURBANIZED AREA FORMULA PROGRAM--ELIGIBLE ITEMS.**

Section 18(e) of the Act (49 U.S.C. app. 1614(e)) is amended by adding at the end thereof: `Public highways (other than those functionally classified as local or rural minor collectors) are eligible construction projects under this section, provided that funds used for the State or local share portion of such highway projects are eligible to fund either highway or transit projects, or, when in the determination of the Secretary there exists under State or local law a sufficient amount of funds from a dedicated source which is available to fund local transit projects.'.

**SEC. 433. SECTION 18--NONURBANIZED AREA FORMULA PROGRAM--TRANSFER OF CAPITAL ASSET, DELETION OF EXTRANEIOUS MATERIAL.**

Section 18 of the Act (49 U.S.C. app. 1614) is amended--

(1) by striking, in subsection (h), the second sentence;

(2) by adding the following new subsection:

`(i) TRANSFER OF FACILITIES AND EQUIPMENT- In addition to the transfer authority in section 12(k) of this Act, in administering this section the State may transfer facilities and equipment acquired with assistance under this section or section 16(b) to any recipient eligible to receive assistance under this Act so long as the equipment or facilities continue to be used in accordance with the requirements of this section or section 16(b).'; and

(3) by striking subsection (g) and redesignating subsection (h) as `(g)'.

**SEC. 434. SECTION 20--HUMAN RESOURCES PROGRAM SUPPORT.**

Section 20 of the Act (49 U.S.C. app. 1616) is amended--

(1) by inserting `(a)' before the first sentence of the section; and

(2) by inserting after subsection (a) the following new subsection:

`(b) The Secretary is authorized to retain any funds returned to the Secretary in connection with a grant or contract under subsection (a), and such funds may continue to be used for the purpose of subsection (a).'

**SEC. 435. AUTHORIZATIONS.**

Section 21 of the Act (49 U.S.C. app. 1617) is amended by striking all of its provisions and substituting:

`(a) There are authorized to be appropriated from the Mass Transit Account of the Highway Trust Fund only to carry out sections 9, 11(b), 12(a), 16(b), 18, 23, and 26 of this Act, and substitute mass transportation projects under section 103(e)(4)

of title 23, United States Code, \$2,899,499,000 for the fiscal year 1992, \$2,899,499,000 for the fiscal year 1993, \$2,819,499,000 for the fiscal year 1994, \$2,819,499,000 for the fiscal year 1995, and \$2,870,499,000 for the fiscal year 1996, to remain available until expended.

`(b) Before apportionment in each fiscal year of the funds appropriated under subsection (a)--

`(1) An amount equivalent to 2.8 percent of the amounts appropriated under subsection (a), and under the National Capital Transportation Act of 1969, as amended, and made available under subsection (f), shall be available to carry out section 26 of this Act to be available until expended;

`(2) Not to exceed an amount equivalent to 2 percent of the amounts appropriated under subsection (a), and under the National Capital Transportation Act of 1969, as amended, and made available under subsection (f), shall be available to carry out section 12(a) of this Act and shall be available until expended;

`(3) Not to exceed an amount equivalent to 1.5 percent of the amounts appropriated under subsection (a), and under the National Capital Transportation Act of 1969, as amended, and made available under subsection (f), shall be available pursuant to the formula under section 16(b) of this Act, to be available until expended;

`(4) \$6,000,000 shall be available for the purposes of section 11(b) for each of fiscal years 1992 and through 1996.

`(c) Of the amounts remaining available each year under subsection (a), after allocation pursuant to subsection (b), for substitute mass transportation projects under section 103(e)(4) of title 23, United States Code, there shall be available \$160,000,000 for fiscal year 1992 and \$160,715,000 for fiscal year 1993.

`(d) An amount equivalent to 2.93 percent of the amounts remaining available each year under subsection (a), after allocation pursuant to subsections (b) and (c), or \$89,000,000, whichever is larger, shall be made available pursuant to the formula under section 18, to be available until expended.

`(e) The funds remaining available each year under subsection (a), after allocation pursuant to subsections (b), (c) and (d), shall be made available under section 9.

`(f) There shall be available from the Mass Transit Account of the Highway Trust Fund only to carry out section 3 of this Act, \$350,000,000 for each of fiscal years 1992 and 1993, \$430,000,000 for each of fiscal years 1994 and 1995, and \$450,000,000 for fiscal year 1996 to remain available until expended. Approval by the Secretary of a grant or contract with funds made available under this subsection shall be deemed a contractual obligation of the United States for payment of the Federal share of the cost of the project.'.

## **SEC. 436. SECTION 22--SAFETY AND SUBSTANCE ABUSE.**

Section 22 of the Act (49 U.S.C. app. 1618) is amended--

(1) by inserting `(a)' before the first sentence of the section; and

(2) by inserting after subsection (a) the following new subsection:

(b)(1) The Secretary may issue regulations requiring as a condition of assistance under sections 3, 9, and 18 of this Act or interstate transfer projects under section 103(e)(4) of title 23, United States Code, in effect on September 30, 1991, that a recipient certify that it has established programs for the control of alcohol and drug use which, at a minimum provide for prevention, chemical testing, including random testing, of workers of or for the recipient whose responsibilities include sensitive safety functions, as determined by the Secretary. The Secretary may withhold further financial assistance under the Act from the recipient until the recipient implements such a program.

(2) for purposes of the requirement for drug control programs, following terms have the meaning specified--

(A) 'Chemical testing' means the taking or examining, or both, of an individual's blood, urine, saliva, or tissue for the purpose of inferring or identifying the presence of alcohol, a drug or drugs;

(B) 'Drug' means a substance specified in Schedule I or Schedule II of the Controlled Substances Act (21 U.S.C. 802), as amended, which schedules may be revised by regulation from time to time (21 CFR 1308); and

(C) 'Random testing' means mandatory testing imposed without individualized suspicion that an individual is using drugs and includes uniform, unannounced testing of every person authorized for testing, or a statistically random sampling of those persons based upon neutral criteria.

(3) No State or local government shall adopt or have in effect any constitutional provision, law, rule, regulation, ordinance, standard, or order that is inconsistent with the regulations issued under this section.'

#### **SEC. 437. SECTION 23--PROJECT MANAGEMENT OVERSIGHT.**

Section 23 of the Act (49 U.S.C. app. 1619) is amended--

(1) by striking in subsection (a) 'one-half of 1 percent' and substituting 'three-quarters of 1 percent';

(2) by striking paragraphs (a)(1) through (a)(5); and

(3) by substituting at the end of subsection (a): 'the funds made available for any fiscal year to carry out sections 3, 9, or 18 of this Act, or interstate transfer transit projects under section 103(e)(4) of title 23, United States Code, in effect on September 30, 1991, or a project under the National Capital Transportation Act of 1969, as amended, to contract with any person to oversee the construction of any major project under any such section.'

#### **SEC. 438. SECTION 26--PLANNING AND RESEARCH.**

The following new section is added to the Act: 'planning and research program'.

'SEC. 26. (a) NATIONAL PROGRAM- (1) Of the funds made available under section 21(b)(1), one-third shall be available to the Secretary for grants or

contracts for the purposes of sections 6, 8, 10, 11, 18(h), or 20 of this Act as the Secretary deems appropriate;

`(2) Notwithstanding any other provision of law, the Secretary is authorized to charge and retain fees, tuition, or related amounts resulting from conferences, seminars, training sessions and the like funded under this subsection, and any such amounts may be used for the purposes of this subsection. The Secretary shall determine what constitutes a necessary expense for the conduct of activities under this subsection.

`(3) Of the amounts available under subsection (1), an amount not to exceed 25 percent shall be available to the Secretary for special demonstration initiatives subject to such terms, conditions, requirements and provisions as the Secretary deems appropriate for the purposes of this paragraph;

`(4) TECHNOLOGY DEVELOPMENT-

`(A) The Secretary is authorized to undertake a program of transit technology development in coordination with affected entities.

`(B) the Secretary shall establish an Industry Technical Panel consisting of representatives of transportation suppliers and operators and others involved in technology development. A majority of the panel members shall represent the supply industry. The Panel shall assist the Secretary in the identification of priority technology development areas and in establishing guidelines for project development, project cost sharing, and project execution.

`(C) the Secretary shall develop guidelines for cost sharing in technology development projects funded under the section. Such guidelines shall be flexible in nature and reflect the extent of technical risk, market risk, and anticipated supplier benefits and pay back periods.

`(5) The Secretary may use funds appropriated under this subsection to supplement funds available under section 26(b)(1), as the Secretary deems appropriate.

`(6) Where there would be a clear and direct financial benefit to an entity under a grant or contract funded under this subsection or subsection (b)(1), the Secretary shall establish a Federal share consistent with that benefit.

`(b) STATE AND LOCAL PROGRAM- Of the funds made available under section 21(b)(1), two-thirds shall be available for State and local programs as follows:

`(1) TRANSIT COOPERATIVE RESEARCH PROGRAM- Sixteen and one-half percent of that amount shall be available for transit cooperative research program to be administered as follows:--

`(A) the Secretary shall establish an independent governing board for such program to recommend mass transportation research, development, and technology transfer activities as the Secretary deems appropriate;

`(B) The Secretary may make grants to, and enter into cooperative agreements with the National Academy of Sciences to carry out such activities as the Secretary determines are appropriate;



`(2) STATE AND LOCAL PLANNING AND RESEARCH- The remaining 83.5 percent of that amount shall be apportioned to the States for grants and contracts consistent with the purposes of sections 6, 8, 10, 11, 18(h), and 20 of the Act.

`(A) APPORTIONMENT FORMULA- Amounts shall be apportioned to the States in the ratio which the population in urbanized areas, in each State, bears to the total population in urbanized areas, in all the States as shown by the latest available decennial census, except that no State shall receive less than one-half of 1 percent of the amount apportioned under this section.

`(B) ALLOCATION WITHIN A STATE-

`(i) Of the funds made available to each State under subsection (b), 25 percent shall be available for State programs to carry out the objectives of this subsection. A State may authorize a portion of its funds made available under this subsection to be used to supplement funds available under subsection 26(b)(1) or (b)(2)(B)(2), of the Act, as the State deems appropriate. Of the funds made available under this subsection, at least 33 1/3 percent shall be used for purposes of section 18(h).

`(ii) Of the funds made available to each State under subsection (b), 75 percent shall be, by a formula developed by each State in cooperation with local elected officials acting through the metropolitan planning organization and approved by the Secretary which considers population in urbanized areas and provides an appropriate distribution for urbanized areas to carry out the cooperative processes described in section 8 of this Act, made available by the State to metropolitan planning organizations designated as being responsible together with the State for carrying out the objectives of this section.

`(C) FEDERAL SHARE PAYABLE- The Federal share payable for a project under subsection (b)(2) shall be 75 percent except--

`(i) where the Secretary determines that it is in the Federal interest not to require a State or local match; and

`(ii) 100 percent for funds used for the purposes of section 18(g).

`(c) HOLD HARMLESS- The amounts made available under this section shall be adjusted as follows--

`(1) the amount made available under subsection (a) shall be reduced and the amount made available under subsection (b)(2) shall be increased so that the aggregate amount provided to the States for allocation to metropolitan planning organizations under subsection (b)(2)(B)(2) is no less than the aggregate amount provided to metropolitan planning organizations by administrative formula under section 8 of this Act in fiscal year 1991.

`(2) the amount apportioned to each State by formula under subsection (b) shall be adjusted so that the aggregate amount apportioned to each State to be made available to metropolitan planning organizations under subsection (b)(2)(B)(2) is no less than the aggregate amount provided to metropolitan planning organizations in the State by administrative formula under section 8 of this Act in fiscal year 1991.

`(3) Of the funds allocated to a State under subsection (b), a larger amount than provided for under subsection (b)(2)(B)(1) may be available for State programs to the extent that the amount otherwise available to the State for State programs is less than the amount made available to the State by administrative formula under section 8 of this Act in fiscal year 1991 and under section 18(h) of this Act in fiscal year 1991: *Provided*, That the aggregate amount made available by the State to metropolitan planning organizations under subsection (b)(2)(B)(2) shall in no event be less than the aggregate amount made available to metropolitan planning organizations in that State by administrative formula under section 8 of this Act in fiscal year 1991.'

#### **SEC. 439. TECHNICAL ACCOUNTING PROVISIONS.**

Notwithstanding any other provision of law, any funds appropriated under sections 6, 10, 11, or 18 of this Act, or section 103(e)(4) of title 23, United States Code, in effect on September 30, 1991, before October 1, 1983, that remain available for expenditure after October 1, 1991, may be transferred to and administered under the most recent appropriation heading for any such section.

### **TITLE V--HIGHWAY REVENUE ACT OF 1991**

#### **SEC. 501. SHORT TITLE.**

This title may be cited as the 'Highway Revenue Act of 1991'.

#### **SEC. 502. AMENDMENT OF 1986 CODE.**

Whenever in this title, an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a section or other provision of the Internal Revenue Code of 1986.

#### **SEC. 503. 3-YEAR EXTENSION OF HIGHWAY TRUST FUND TAXES AND RELATED EXEMPTIONS.**

(a) EXTENSION OF TAXES- The following provisions are each amended by striking '1995' each place it appears and inserting instead '1998':

(1) Section 4091(b)(6)(a) (relating to special fuels tax).

- (2) Section 4051(c) (relating to tax on heavy trucks and trailers sold at retail).
- (3) Section 4071(d)(1) (relating to tax on tires and tread rubber).
- (4) Section 4081(d)(1) (relating to gasoline tax).
- (5) Section 4481(e), 4482(c)(4), and 4482(d) (relating to highway use tax).
- (b) EXTENSION OF EXEMPTIONS- The following provisions are each amended by striking `1995' each place it appears and inserting instead `1998':
  - (1) Section 4041(f)(3) (relating to exemption for farm use).
  - (2) Section 4041(g) (relating to other exemptions).
  - (3) Section 4221(a) (relating to certain tax-free sales).
  - (4) Section 4483(g) (relating to termination of exemptions for highway use tax).
  - (5) Section 6420(h) (relating to gasoline used on farms).
  - (6) Section 6421(i) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).
  - (7) Section 6427(g)(5) (relating to advance repayment of increased diesel fuel tax).
  - (8) Section 6427(o) (relating to fuels not used for taxable purposes).
- (c) Other Provisions-
  - (1) FLOOR STOCKS REFUNDS- Section 6412(a)(1) (relating to floor stocks refunds) is amended--
    - (A) by striking `1995' each place it appears and inserting instead `1998'.
    - (B) by striking `1996' each place it appears and inserting instead `1999'.
  - (2) INSTALLMENT PAYMENTS OF HIGHWAY USE TAX- Section 6156(e)(2) (relating to installment payments of tax on use of highway motor vehicles) is amended by striking `1995' and inserting instead `1998'.

### **SEC. 504. 3-YEAR EXTENSION OF HIGHWAY TRUST FUND.**

- (a) IN GENERAL- Section 9503(b) and (c) (relating to the Highway Trust Fund) are each amended--
  - (1) by striking `1993' each place it appears and inserting instead `1998'.
  - (2) by striking `1994' each place it appears and inserting instead `1999'.
- (b) EXPENDITURES FROM HIGHWAY TRUST FUND- Section 9503(c) (relating to expenditures from the Highway Trust Fund) is amended--
  - (1) by striking `or' at the end of (C) and by striking (D) and inserting instead the following:
    - `(D) authorized to be paid out of the Highway Trust Fund under the Surface Transportation Assistance Act of 1991, or
    - `(E) hereafter authorized by a law which does not authorize the expenditure out of the Highway Trust Fund of any amount for a general purpose not covered by (A), (B), (C) or (D), as in effect on the date of the enactment of the Surface Transportation Assistance of 1991.'.

(2) by inserting the following at the end thereof:

`(5) TRAFFIC SAFETY AND COST SAVINGS PROGRAMS- Amounts in the Highway Account shall be available, as provided by appropriation Acts, for making expenditures before October 1, 1998, in accordance with (A) section 407 of title 23, United States Code (the National Driver Register program), (B) the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), and (C) the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.).'

(c) CONFORMING AMENDMENTS TO LAND AND WATER CONSERVATION FUND- Section 201(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-11) is amended--

(1) by striking `1995' and inserting instead `1998' and

(2) by striking `1996' each place it appears and inserting instead `1999'.

### **SEC. 505. REDUCTION OF FUEL TAXES.**

(a) EFFECTIVE DATE- Amendments made by this section take effect October 1, 1995.

(b) GASOLINE TAX- Subparagraph (B) of section 4081(a)(2) is amended by striking `11.5 cents a gallon' and inserting `9 cents a gallon'.

(c) DIESEL AND SPECIAL MOTOR FUELS TAXES- Paragraph (2) of section 4091(b) is amended by striking `17.5 cents' and inserting `15 cents'.

(d) TRANSFERS TO MASS TRANSIT ACCOUNT- Paragraph (2) of section 9503(e) is amended by striking `1.5 cents' and inserting `1 cent'.

### **SEC. 506. EFFECTIVE DATE.**

The Highway Revenue Act of 1991 is effective on October 1, 1991.

*END*