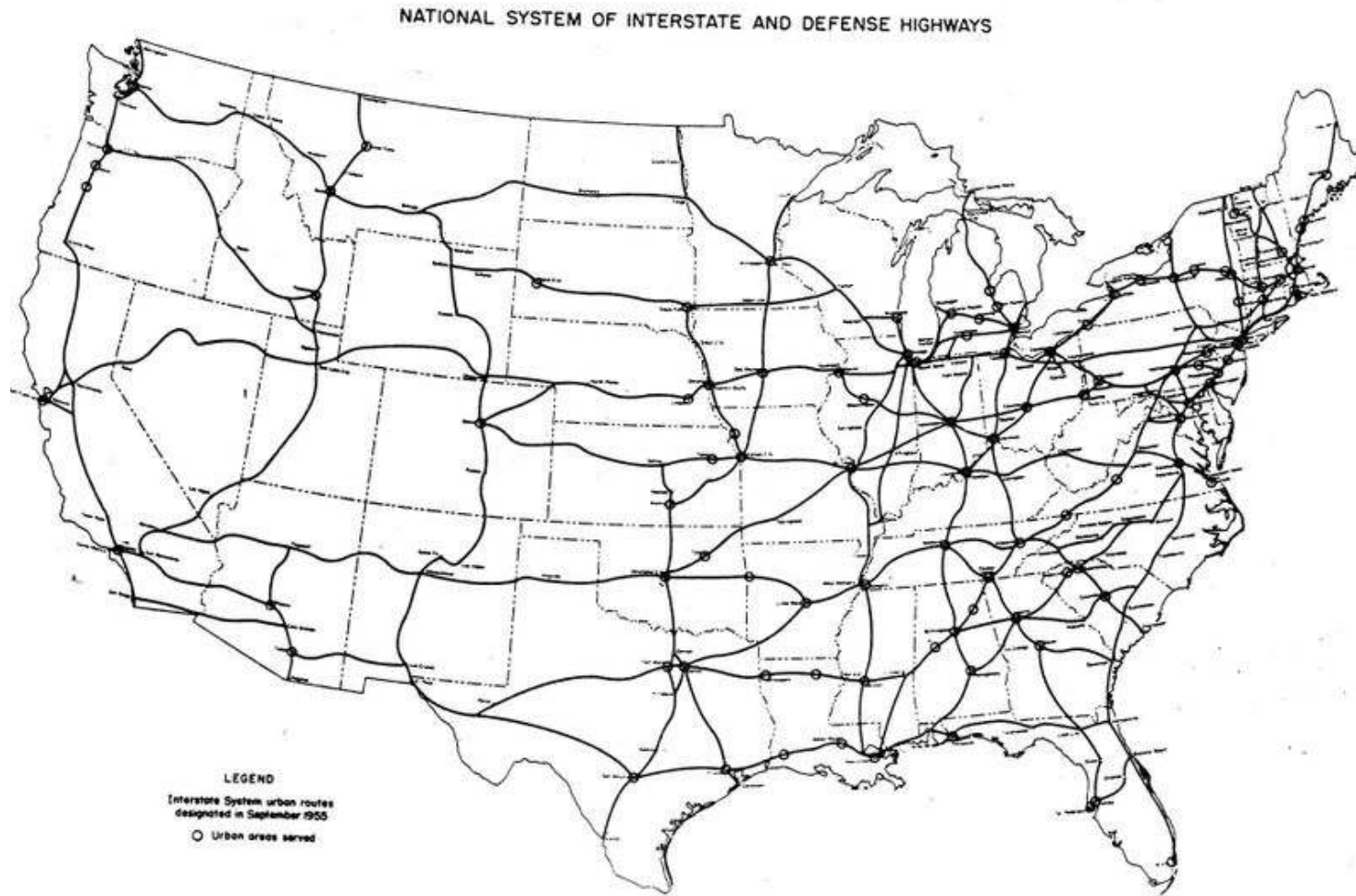


# Past as Prologue?: A Brief Legislative History of the Modern Federal Aid Highway Program



John W. Fischer  
Congressional Research Service  
Library of Congress

# Highway Policy in the 1950s



## The 1960s

- A Slowly Expanding Federal Program
  - Highway Beautification Act of 1965
  - Highway Safety Act of 1966
  - Appalachian Highway Program created 1965 (becomes a trust fund funded program in TEA21)
  - Federal-Aid Highway Act of 1968
    - Adds 1,500 miles to the interstate system
    - Extends Davis-Bacon to all federal-aid highway projects

## 1960s (continued)



Interstate 287 - 1966

- Department of Transportation Created 1966

Mandate to create a unified national transportation system

BPR becomes FHWA

Urban Mass Transportation Act of 1964

National Environmental Policy Act of 1969 (NEPA)

Clean Air Amendments of 1970

# The 1970s



- Highway Act of 1970  
Urban System added  
Bus lanes, some transit  
become eligible for  
highway funding  
Minimum apportionment  
of interstate funding  
for each state  
NHTSA created  
70 – 30 match for non-  
interstates

## The 1970s (continued)

- Multiple Acts – 1973, 1974 (amendments), & 1976 – all increased flexibility and transferability
- Congressional Budget and Impoundment Control Act of 1974
  - Ends impoundment
  - Creates the limitation on obligations
- Major proposals for program change – Nixon - revenue sharing, Ford & Carter - proposals to divert fuel taxes to general fund – all ignored by Congress
- Other provisions added in the 70s
  - Interstate transfer provisions added
  - 3R (resurfacing, restoring, & rehabilitating)(76 Act)

# 1970s (Continued)

- STAA of 1978

First combined Act giving transit, safety, titular equal status, if not equal funding

75 – 25 matching share

“Buy America” added

Center of political support for highway program moves from Executive to Legislative Branch

# The 1980s

- **STAA of 1982**

Last fuel tax increase  
dedicated exclusively  
to transportation

Creates transit account

Originally opposed by  
Reagan Admin –  
Adopted as a “user  
fee” not a tax

Promoted as a jobs bill  
for recession

4R emphasis

21 drinking age  
requirement

Earmarks – 10  
“special  
demonstration  
projects”

85% return on core  
highway programs



## The 1980s (continued)



- Deficit Reduction Act of 1984

Increases diesel tax

Constrains spending

Unexpended trust fund  
balance increases

- *America in Ruins*  
(Mianus River and Schoharie Creek bridge collapses)

The so-called  
infrastructure crisis is  
born

## The 1980s (continued)

- **STURAA of 1987**

- 152 earmarks

- 85% return on contributions guarantee maintained, but new method for computing it adopted

- Pilot toll program created

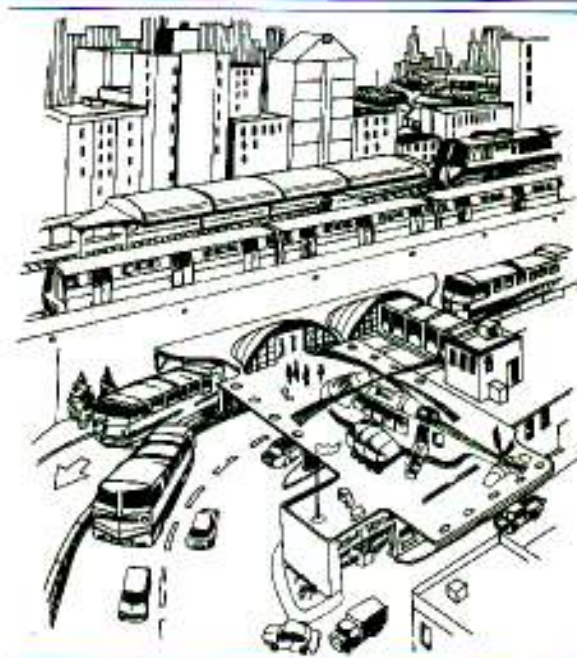
- Reagan veto overridden

# The 1990s: Redirection – the TEA Years



U.S. Department of Transportation

INTERMODAL PASSENGER TERMINAL FACILITIES  
PROJECT SUMMARIES  
A COMPENDIUM OF PROPOSED, ACTIVE, AND COMPLETED  
INTERMODAL PASSENGER TERMINAL FACILITIES



December 1994

Prepared by the  
U.S. Department of Transportation  
Intermodal Terminal Committee

- Deficit Reduction
- International Competitiveness
- OBRA 1990 & OBRA 1993 – fuel taxes raised, but only in part for transportation
- The program structure that built the Interstates clearly no longer works

## The 1990s (continued)

- **ISTEA 1991**

New program structure – NHS, STP (enhancement & safety set-asides), CMAQ, IM, & Bridge  
New roles for MPOs  
transferability & flexibility broadened

90% minimum guarantee – complicated 5 element structure (almost immediate discontent in some states)

538 demonstration projects (earmarks)  
80 – 20 match for all but IM (90 – 10)

## The 1990s: (continued)

- **NHS Act of 1995**

Officially designated the NHS routes

Ended the 55 mph speed limit & motorcycle helmet requirements

Pilot State Infrastructure Bank (SIB) program

## The 1990s (continued)

- Taxpayers Relief Act of 1997

Redirects all fuel taxes into the highway trust fund

- **TEA21 1998**

40% increase in funding

Created new budget accounts for highway and transit accounts. The so-called “firewalls”

Creates RABA system

90.5% return – complicated minimum guarantee system, became largest single highway program

## The 00s

- SAFETEA-LU 2005

Continues historical trends

More of everything – money, programs, 5,500 plus highway earmarks, etc.

92% Equity bonus, still complicated to understand – already discontent amongst some states

# Surface Transportation Policy Today?





# Observations

- Surface transportation evolves – primarily by addition, rarely by subtraction
- Continued growth in the coalition of interest groups that support federal surface transportation programs – Creates opportunities, but also, as the previous slide suggests, problems, especially as expectations grow
- Earmarking is becoming a dominant element of the federal-aid program for good or for ill.
- No surface transportation reauthorization in two decades has been enacted prior to the expiration of the existing authorization.
- Although there have been peaks and valleys in the growth of transportation funding, there have been far more peaks than valleys.

## Observations (continued)

- Highway program remains a popular vehicle for mandates on a wide range of topics.
- Since Interstate Highway focus has disappeared the focus of the entire program has become increasingly blurry.
- Philosophical underpinning of the modern surface transportation program seems to be that we have an unlimited number of unmet transportation infrastructure needs and that the federal program should be expanded to meet as many of these as possible. This is VERY different from the 1956 view.
- The Donor-Donee question is now the centerpiece of legislative debate. This begs the question of what the focus of the federal program is and what the purpose of the federal program is.

# Prescience?

“Highway legislation scatters billions of politically-guided Federal Dollars over the country as though they were shot from a blunderbuss. These widely scattered dollars will not build those roads having the greatest national interest”

Senator Prescott Bush

*Congressional Quarterly Almanac*, 1955. p. 436.