

HIGHWAY CHANGES

In anticipation of switching to the new federal-aid systems, we would envision these changes:

1. Congress would continue to vigorously support metropolitan transportation planning through the Continuing, Comprehensive, Cooperative transportation planning process required by the 1962 highway act, (the "Three C planning process"—Continuing, Comprehensive, Cooperative). We also recommend strongly that Congress enact a parallel requirement that multi-county planning agencies outside metropolitan areas also utilize the three C process as a prerequisite for obtaining federal funds for roads in these areas. To help defray the cost of the new planning requirement in rural areas, federal and state highway funds should be made available immediately for multi-county "Three C" planning on the same terms now available to standard metropolitan areas. Beginning July 1st, 1974, no federal funds will be allocated to support streets and highway developments in any area that does not maintain a comprehensive, continuing, cooperative transportation planning process.

(We would envision that in some rural areas there would be opposition to this program. This would come primarily from the fact that until the present time there have not been adequate financial resources in these rural areas to undertake a continuing planning process. We believe the availability of federal funds through the highway program, plus a parallel effort we are urging to open up the Department of Housing and Urban Development's urban planning grant program (701 Program), would provide the necessary incentive and ability.)

2. Shift in emphasis on highway planning. Under this proposal the states would be assigned responsibility for planning the state Primary systems in both urban and rural areas. The three C agencies would be made responsible for developing transportation plans in each metropolitan area and in each rural area.

3. Implementation of classification plan. The very heart of these proposals is a suggested amendment to the Federal Aid Highway Act requiring streets and highways to be functionally classified in accordance with definitions and standards developed cooperatively by the Federal Highway Administration in consultation with the states and local officials. We would suggest that a deadline of July 1st, 1971 be established for completing the classification program. Functional classification would be on a state-wide basis with the state responsible for classifying the primary system and the metropolitan 3-C planning agencies and the multi-county 3-C planning agencies responsible for classifying streets and highways within their jurisdictions subject to approval by the states. States would be expected to aid local planning agencies in this process.

4. *New fund allocation formulas.* Effective with the fiscal year beginning July 1st, 1972, funds allocated under the present ABC program would be distributed under a new formula recognizing the new functional classification system. Funds from the federal government would be distributed to the states earmarked for the state primary system, the urban system and the rural system. The percentage of federal funds allocated for each of these programs from the trust fund and the allocations within each fund among the states would be set at the national level. Distribution formulas among the states from each system fund would be developed, recognizing the various characteristics relevant to each system. States would be given leeway to transfer a small percentage of their allotment between the three systems according to their state needs.

5. *Reversing fund allocations.* We propose that beginning with the fiscal year 1973 funds allocated annually to the Interstate system should be fixed at an amount equal to the average amount of money appropriated to the Interstate system during the preceding five fiscal years. All receipts in the trust fund in excess of this fixed allocation to the Interstate system would be appropriated for the new state, urban, and rural (SUR) systems. In the present program the interstate system authorization from highway trust funds are increasing as a result of increased receipts into the trust fund. The ABC authorizations remain stable at one billion dollars per year. Extension of the projected completion date of the interstate system from 1972 to as late as 1980 because of always increasing cost estimates threatens to continue to consume trust funds resulting in further delay for critical projects off the interstate system.

We currently have a freeze on the ABC funds. In effect, we are suggesting that after fiscal year 1973, the freezing should be on the Interstate system and that the annual increment of increased receipts into the trust fund should be used to speed up construction on non-Interstate projects.