

right-of-way acquisition program? Briefly speaking, H.R. 16622 would establish a right-of-way revolving fund for advance acquisition purposes and has as its objective what I assume to be the same purpose as section 9 of H.R. 17134.

Would you please comment on the differences between section 9 of this bill, and H.R. 16622, and may I also have your comments as to whether H.R. 16622 might not be an acceptable substitute for section 9 of H.R. 17134?

Answer: It is our view that H.R. 16622 would not establish an effective revolving fund. Appropriations under that proposal would be authorized only for fiscal years 1970, 1971, and 1972. For the fund to become truly revolving, advances made from those appropriations would have to be repaid in order for additional advances to be made. However, under H.R. 16622 repayments could be delayed for seven years. Hence, it is not unlikely that the fund would be exhausted in three years and conceivably little or no funds would be available for advance acquisition for the next four years until the first advances would have to be repaid. At the very least, the proposal of H.R. 16622 would make it difficult to know ahead of time just how much would be available for advance acquisition and, accordingly, would make planning difficult.

Section 12—Urban Area Traffic Operations Improvement Programs

1. As I understand it, under the Administration's proposal, projects financed under the so-called "TOPICS" program would not have to be located on any Federal-aid highway system. In other words, Federal monies made available for this section could be expended upon any street or highway within an urban area. Is that right?

Answer: No. Federal monies made available under Section 12 would not be expended on *any* street or highway within an urban area, but would be restricted to the Federal-aid highway systems. The limited right-of-way available for major highway improvements and the increasing influence of the high volume intra-urban traffic has demanded a change in the traditional administrative procedures for selecting streets for the Federal-aid primary system. Thus since February 1967 the States have been encouraged formally to select urban areas and study their needs on an area and network basis, and to recommend additions to the existing Federal-aid primary system. These additions to the Federal-aid primary system would not include all streets but would be limited to: arterial highways and major streets not already on a Federal-aid system; most or all of the street grid in the downtown area; and, a limited street grid in other areas having particularly heavy concentrations of traffic. Similar restriction is contemplated in the administration of the subject proposed legislation.

2. The Administration has proposed that funds to carry out this section would be authorized to be appropriated out of the Highway Trust Fund. Isn't it true that under existing law projects not located on a Federal-aid highway system could not be financed out of the Highway Trust Fund since the Trust Fund is available only for expenditures "which are attributable to Federal-aid highways"?

Answer: Existing law does not authorize the financing of projects from the Highway Trust Fund which are not on a Federal-aid highway system.

(a) Wouldn't an amendment of section 209(f) of the Highway Revenue Act of 1956 be necessary to permit financing of the "TOPICS" program out of the Trust Fund?

Answer: No. It is not intended to finance projects not on a Federal-aid system from the trust fund. H.R. 17134, section 5(2) specifically provides that traffic operation projects in urban areas authorized by section 135 are to be on extensions of the Federal-aid primary and secondary highway systems in urban areas.

3. Isn't authorizing the expenditure of Federal-aid highway funds on projects not on a Federal-aid highway system entirely inconsistent with the concept of expending limited Federal funds on a limited interconnected system of highways having national and regional significance?

Answer: TOPICS funds would be available for expenditure only on Federal-aid system streets with heavy concentrations of traffic, such as arterials and major streets and streets in the downtown grid network.

4. It seems to me that permitting the expenditure of Federal-aid highway funds on projects not on a Federal-aid system would be a step away from developing a more rational and meaningful highway system classification.

In the "1968 National Highway Needs Report," on page 31 of the Senate Committee Print, it is stated that, "Fundamental to a larger Federal role in helping solve urban transportation problems, then, would be an expansion of size and a change of definition of the urban network on which Federal highway funds may be applied."