AMERICA ON THE MOVE

AUGUST 1993

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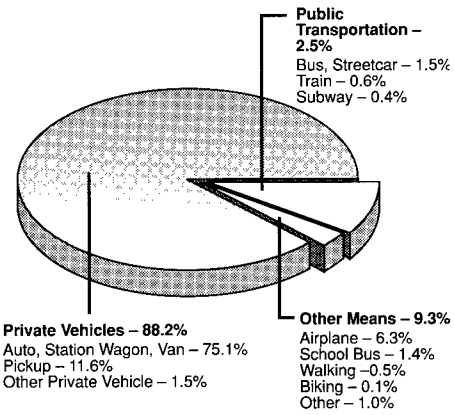
INTRODUCTION

In the United States, movement of freight and passengers is of critical importance; national productivity depends on fast and reliable transportation. As a Nation we spend over $959 billion annually on transportation services, the equivalent of 16.8 percent of the gross national product (GNP). The components of the cost of these transportation services include the costs to users of the transportation system—made up of vehicle operating costs, transit costs, accident costs, and the value of time spent in travel—as well as the public cost of transportation facility construction and repair. Today, one must also include societal costs relating to community values, environmental issues, and energy impacts when considering total transportation costs.

Personal Travel by Mode of Transportation

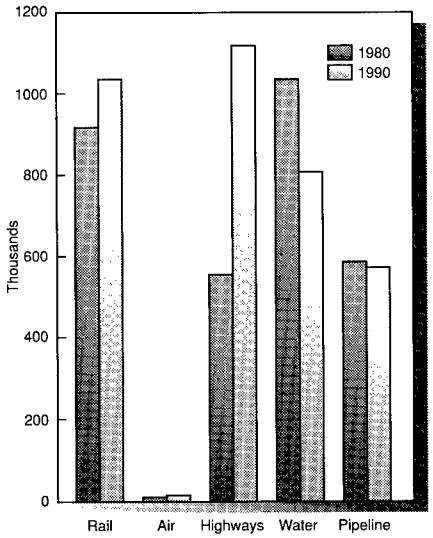


The personal motor vehicle (automobile, light truck, van, and motorcycle) is the predominant form of personal transportation. Privately–owned vehicles are used for 88.2 percent of all personal travel. When school bus (1.4%) and bus/streetcar (1.5%) are added to the *Private Vehicle* portion, we find that over 90 percent of personal transportation is served by highways.

Source: Federal Highway Administration, Nationwide Personal Source: Transportation Survey, 1990.

In virtually every sector of our Nation's economy, productivity depends on adequate transportation services. This is nowhere more important than in the area of freight transportation, where expenditures exceed $350 billion annually, more than 6 percent of the GNP. Freight transportation over highways reflects that importance, as over three-quarters of the value of all goods and services and over 40 percent of freight tonnage are carried over our highways. New manufacturing processes emphasizing just-in-time delivery of inventory place a premium on fast, frequent, and dependable transportation, a goal met by the speed and flexibility of highway freight transport.

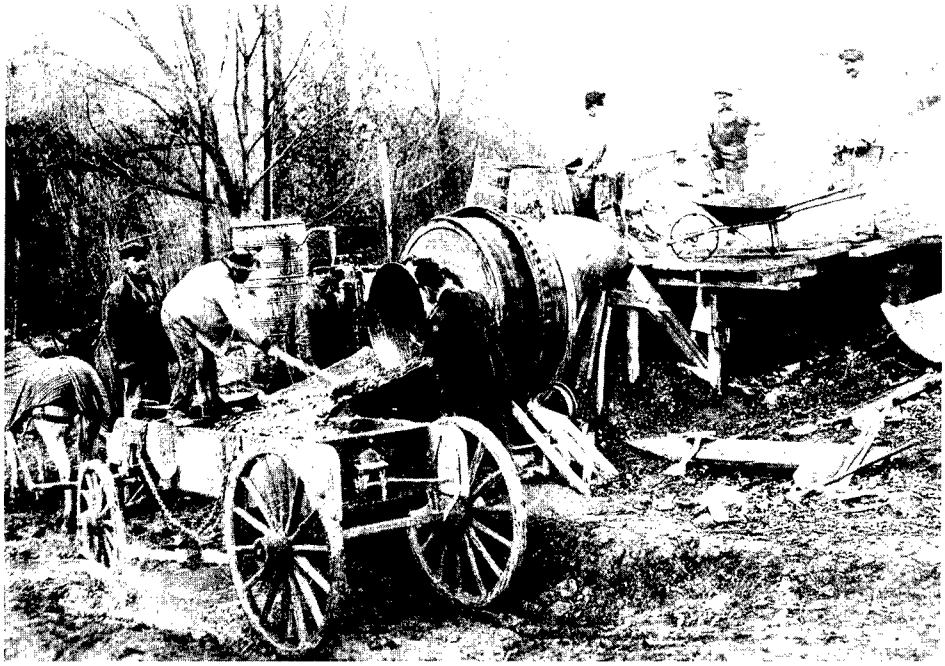
Freight Transportation by Mode



In 1990, the Nation's highway system carried 31.6 percent of the total revenue ton–miles of freight compared to 17.9 percent in 1980.

Source: U.S. Department of Transportation, National Transportation Source: Statistics: Annual Report, June 1992.

Highways are also important for transporting people. In 1990, over 80 percent of intercity passenger miles of travel occurred on United States roads and streets, more than four times the amount by air, the second most frequently used mode of inter-city travel. There are, of course, other ways of moving people: trolleys, railways, subways, commuter ferryboats, and people movers. Each of these is a form of mass transportation, and many people have used one or another, especially in urbanized areas. People also ride buses, a form of mass transportation that uses our highways and streets. America truly



is on the move today, in many ways. This publication describes the highway and transit programs that support that mobility.

Highway History

In the United States, there are about 3.9 million miles of roads and streets. The Federal Government owns and maintains approximately 5 percent of that total, mainly in national parks and forests and other government-owned lands. The States own approximately 21 percent, nearly 800,000 miles, while local units of government, such as counties and cities, have jurisdiction over the bulk of the mileage—2.9 million miles, or approximately 74 percent.

Aside from roads owned by the Federal Government, building and improving highways are responsibilities of State and local governments. Federal support on a continuing basis has been provided since the early 1900s through the Federal-Aid Highway Program. The Federal Government first became involved in building roads through the Ohio Statehood Enabling Act of 1802, which set aside 5 percent of the proceeds of public land sales for roads. This resulted in money being authorized for the construction of the National Pike, or Cumberland Road, which was to run from Cumberland, Maryland, to Vandalia, Illinois. However, as railroads emerged in the mid-1800s as the solution to long-distance travel, the emphasis on construction of main highways waned, and Congress did not provide the money necessary to complete the road to Vandalia.

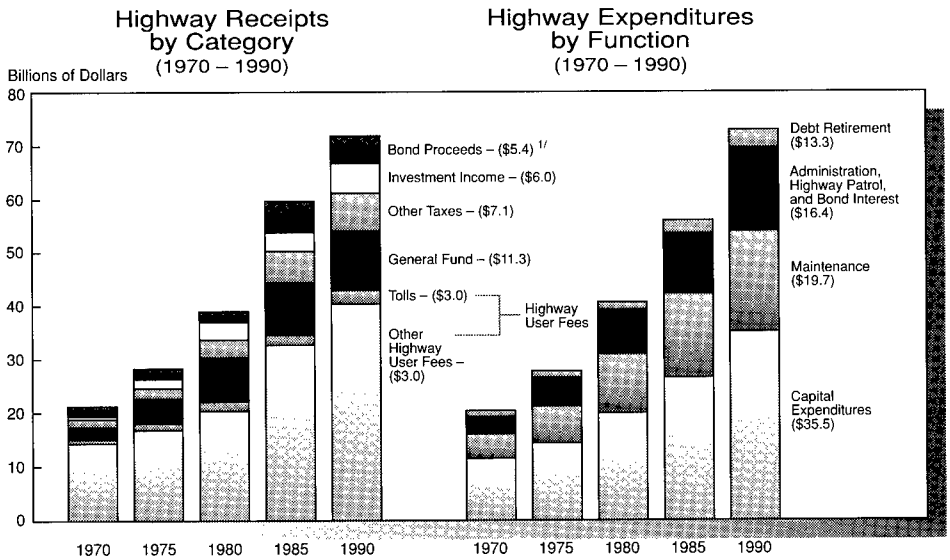
Although Congress had passed many laws providing Federal funds ($17 million cumulative to 1891) for specific roads, it was not until the late 19th century that a definite

Jurisdictional Control of U.S. Roads and Streets

Jurisdiction	Rural Mileage	Percent	Urban Mileage	Percent	Total Mileage	Percent
State	702,562	22.5	95,790	12.6	798,352	20.6
Local	2,242,030	71.8	660,549	87.3	2,902,579	74.8
Federal	178,196	5.7	1,0254	0.1	179,220	4.6
Total	3,122,788	100.0	757,363	100.0	3,880,151	100.0

The vast majority (74.8 percent) of the Nation's roadways are under the jurisdiction of local governments (town, city, county). Only 4.6 percent are under the jurisdiction of the Federal Government which includes roads in national forests and parks and on military and Indian reservations. The Nation's most heavily travelled roadways (representing 20.6 percent of the total 3,880,151 miles and including the Interstate System) are controlled and maintained by the State governments.

Highway Receipts by Category and Highway Expenditures by Function



1/1990 Figures.

Total receipts for highways by all units of government reached $63.9 billion in 1990 – a 240 percent increase compared to 1970. Highway – user fees, which make up the largest share of receipts, account for 59.8 percent compared to 70.4 percent in 1970. General fund appropriations make up a growing share of highway receipts and now account for 15.3 percent of the total compared to 10.1 percent in 1970.

Capital expenditures currently account for 47.4 percent of highway expenditures compared to 55.6 percent in 1970; maintenance accounts for 26.3 percent compared to 22.7 percent in 1970. Expenditures for administration, highway patrol, and bond interest also account for an increasing share of total expenditures – 21.8 percent in 1990 versus 15.8 percent in 1970.

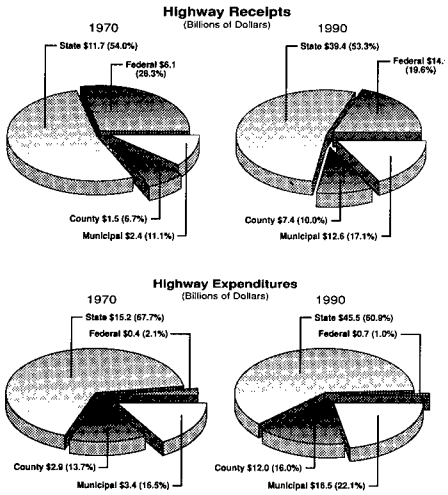
movement for "good roads" began. The motivating forces were strange bedfellows—bicyclists, who wanted roads they could ride on for relatively long distances, and farmers, who needed good roads to move their crops to market. In response, the Office of Road Inquiry was created in the United States Department of Agriculture in 1893 to investigate, educate, and distribute information on roadbuilding. This agency in 1916 became the United States Bureau of Public Roads, the predecessor to the Federal Highway Administration (FHWA) of today.

In 1912, Congress responded to requests for Federal assistance in developing these "good roads" by passing the Rural Post Roads Act. Instead of providing funds for specific projects, as had been done in the 1800s, the Act provided $500,000 to be available to States that wanted the Federal Government to finance one-third of the cost of any projects on post roads (mail delivery routes). Seventeen States participated, and 425 miles of roads were built under this program.

The Federal-Aid Road Act of 1916 and the Federal Highway Act of 1921 provided the foundation for the Federal-Aid Highway Program (FAHP) as it exists today. Until those acts were passed, roads had been mainly the concern of local governments. Some States had highway agencies, but overall there was little coordination among States for building and improving roads, and even within States there was limited coordination among counties. This was changed by one of the major provisions of the 1916 Act: a requirement that each State organize a highway department to designate a limited system of main and interconnecting roads. Another provision of the 1916 Act was the definition of a Federal/State cooperative relationship, which was made permanent in the 1921 Act. The role of the States in this relationship is to select, plan, design, and construct highway improvements, while the role of the Federal Government is to review and approve work done with the assistance of Federal funds. These partnership roles remain in effect today, although local governments, especially in larger metropolitan areas, are now responsible for helping identify and select projects.

In the early years of the FAHP, Federal assistance came from the General Fund of the Treasury. This changed with the establishment of the Highway Trust Fund (HTF) in 1956. Since then, highway user taxes have been the major source of revenue for highway improvements. These are Federal, State, and sometimes local taxes levied on users of highway facilities, with the larger shares being paid by those who have the larger cost responsibility (i.e., cause more "wear and tear"). Included are motor-fuel taxes, driver license and automobile registration fees, and special taxes on heavy vehicles and their parts and accessories. Local units of government normally do not rely on specific taxes on highway users but on general revenues, such as property tax and transfer taxes, to sup-

Highway Receipts and Expenditures by Governmental Unit



State governments account for the largest shares of highway receipts and expenditures, but the shares attributed to local units of government have increased significantly since 1970. Municipalities and counties now account for 27.1 percent of total receipts and 38.1 percent of total expenditures, up from 17.6 percent and 30.2 percent respectively, in 1970. Receipts collected by the Federal Government for highways have increased over 135 percent compared to 1970; however, the relative share of total receipts has decreased from 28.3 percent in 1970 to 19.6 percent in 1990.

Note: Federal Highway Administration, Nationwide Personal Expenditures by the Federal Government only reflect direct expenditures by Federal agencies. Federal transfers are included with amounts shown for State and local governments.

port highway activities. In total, Federal highway excise taxes raise about 19 percent of the total funds spent by all levels of government for highway related purposes and about 41 percent of the funds spent on capital improvements.

Transit History

In 1827, a 12-passenger horse-drawn carriage began transporting passengers along Broadway in New York City, marking the U.S. debut of mass transportation. From that humble beginning, mass transit in America grew through the 19th century and into the 20th, moving millions of passengers via a patchwork of private transit operators.

In September 1897, the first American subway opened in Boston. This moved mass transportation into an even more modern era. Streetcars and elevated railways had been private undertakings—privately financed, privately operated, and very much privately profit-oriented—but the enormous cost of subway construction proved to be more than private interests could reasonably be expected to bear. Therefore, the Boston subway—as well as new subway lines that began to open in New York after 1904—saw the public sector underwrite the initial capital cost of the facilities, with private interests running the service under long-term contracts.

By the 1920s, more than a thousand cities and towns had trolley systems, operating nearly 63,000 streetcars over some 40,000 miles of track. These systems permitted American cities the expansion needed to ease the tenement crowding that had become a by-product of urban growth and prosperity. The street railway had recently been converted from animal power to electricity and was often the only means of basic mobility in growing cities. In larger cities, however, elevated railways had been operating above city streets on massive steel viaducts since the turn of the century, providing additional mobility options.

America's mass transportation industry was popular and prosperous. However, from the mid-1920s into the 1940s, mass transportation began a slow decline. Although there was growth in population, in the economy, and in the development of entirely new regions, mass transit patronage did not continue to grow. World War II produced extraordinary travel demands, giving the transit industry a brief burst of vitality. However, after the war the transit decline resumed. In the face of suburbanization, new highways, and automobile availability, many former transit users began to travel by car.

The Federal Government became actively involved in mass transportation with the enactment of the Housing Act of 1961, which authorized capital loans to State and local governments for the purchase of transit capital equipment such as buses, trolleys, and trains. It also authorized grants for transportation demonstrations, research, and planning.

Today, Federal assistance continues for the purposes described above and also is available to cover operating expenses of transit systems and to provide transit assistance for nonurbanized areas (areas with fewer than 50,000 people). Some of the assistance is financed through a Mass Transit Account under the Highway Trust Fund. One and one-half cents of the Federal motor fuels tax are credited to the Mass Transit Account, which primarily funds the Discretionary Capital Grant Program. Other Federal assistance is provided through grants from general revenue funds.

The following sections describe Federal highway and transit programs and other important activities carried out by the FHWA and the Federal Transit Administration (FTA).

SURFACE TRANSPORTATION PROGRAMS

General

General Federal financial assistance for development and improvement of the Nation's surface transportation facilities is provided to the States and local governments through several programs, including the Surface Transportation Program (STP), the Transit Block Grant Program, and the Bridge Replacement and Rehabilitation Program. The funding programs for highway activities are known collectively as the Federal-Aid Highway Program (FAHP), and, similarly, Federal funding for urban mass transportation (and, to some degree, rural mass transportation) is accomplished through various programs collectively known as the Federal Mass Transit Program. The two programs emphasize different surface transportation perspectives, but within a broader intermodal framework, they work together to provide efficient and coordinated transportation opportunities to the Nation.

Funding for the programs is made available through periodic surface transportation legislation, the most recent of which is the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The ISTEA authorized $121 billion for highway related activities and $31.5 billion for transit related activities over a period of six years. However, a great deal of flexibility is allowed in the use of those funds. It is theoretically possible for State and local governments to use up to 70 percent of the highway funds for transit projects and about one-third of the transit funds for highway projects.

In spite of this flexibility, the two programs operate somewhat differently. In addition, the recipients of the funding are not quite the same. The FAHP is a Federally assisted, State-administered program governed mainly by laws embodied in Title 23 of the United States Code. The FAHP operates through the distribution of funds to the States. Throughout its history, the FAHP has been linked to construction and improvement of Federal-aid highway systems that were a relatively small part of the total miles of roads and streets in the country. Today, the program is directed toward one system, the National Highway System (NHS), and certain other eligible roads, constituting about 922,000 miles of today's 3.9 million miles of roadway.

On the other hand, the Federal Mass Transit Program is administered by both State and local governments, since the funds can be delivered to either entity. Also, there is no national system towards which mass transportation funds are directed. Mass transportation funds are mainly for the development, improvement, and operation of public mass transportation facilities within urbanized areas (i.e., cities and their environs). Within these urbanized areas, there may be systems, but they are not connected to systems in other areas. The program is governed by provisions of the Federal Transit Act.

There also are some dissimilarities in how the programs are managed at the Federal level. The agency overseeing the FAHP is the Federal Highway Administration (FHWA). This is a three-tiered organization consisting of headquarters, regions, and divisions. The headquarters and regional offices provide guidance to the division offices (one in each State, in most cases in the capital city). The division offices are the primary contacts with the State and local transportation agencies, who are responsible for the planning, design, and construction of Federal-aid projects. For certain programs, local officials share responsibilities with the State for effective administration of Federal funds. The FHWA is responsible for reviewing, approving, and monitoring projects (except in certain cases) and for providing technical assistance.

Oversight of the Federal Mass Transit Program is charged to the Federal Transit Administration (FTA). The FTA is a two-tiered organization with a headquarters office and ten regional offices that are the main points of day-to-day contact with State, local and, transit industry offi-

cials. The regional offices are delegated certain responsibilities for implementing FTA programs.

As previously mentioned, a large share of Federal highway assistance can be used for capital transit projects if State and local officials so choose. Otherwise, the highway funds may be used for projects and activities on the NHS and other eligible Federal-aid roads.

The NHS, which handles approximately 40 percent of all highway travel in the Nation, includes a large percentage of rural and urban principal arterials, as well as the Interstate System, the defense strategic highway network, and major strategic highway connectors.

The Interstate System connects most of the Nation's cities with a population of 50,000 or more. It serves the needs of national defense and connects at suitable border points with key Canadian and Mexican highways. It has grown to almost 43,000 miles from the 37,861 miles Congress initially approved in 1947.

Federal assistance also is available for highways that are known as Federal-aid roads. These roads are those classified as urban arterials and collectors in urban areas and rural arterials and collectors in rural areas. Roads classified as rural minor collectors and local are generally not eligible for Federal-aid, with a few exceptions that will be discussed under the Surface Transportation and Bridge programs.

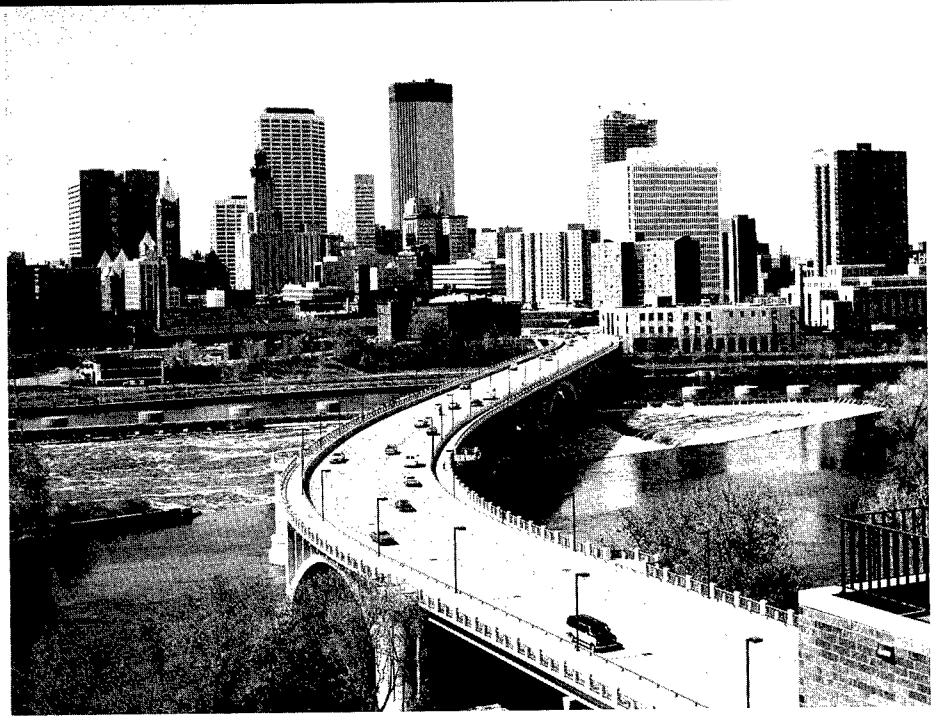
The basis for incorporating routes within the NHS and identifying roads as Federal-aid roads, thereby making them eligible for Federal highway funds, is a process known as functional classification. This process groups routes into three major categories—arterial, collector, and local. The basic

Total Road Mileage and Travel by Functional Classification

Functional System	Mileage	Percent of Total	Travel	Percent of Total
Interstate	45,074	1.2%	478,977	22.3%
Other Arterials	362,850	9.4%	1,029,380	47.9%
Collectors	808,525	20.8%	345,520	16.1%
Locals	2,663,702	68.6%	293,624	13.7%
Total	3,880,151	100.0%	2,147,501	100.0%

Roads and streets are grouped into functional classes according to the type of service they provide. The arterial system (including the Interstate System) accounts for about 10.6 percent of the Nation's total roads and streets but carries 70.2 percent of total travel.

The Interstate System accounts for only 1.2 percent of the Nation's total miles of roadway; however, 22.3 percent of total travel occurs on this system. Conversely, local roads account for 68.6 percent of the Nation's total road and steet mileage but only 13.7 percent of total travel.



principle in classifying highways is that roads serve two distinct functions or purposes: moving traffic and providing access. Although most roads serve both functions, the degree to which one function predominates over the other determines its classification.

Arterial roads are routes whose main function is to move large numbers of persons and vehicles quickly from one place to another. They are characterized by long-distance travel, high volumes, and higher speeds and generally are constructed to higher design standards than other routes.

Collectors are routes that gather vehicles from the local roads and streets and funnel them to the arterials. They maintain a relatively equal balance between traffic service and land access.

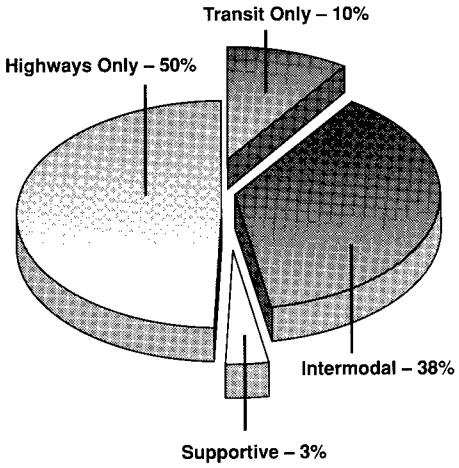
At the opposite end of the functional hierarchy are local roads and streets, whose main function is to provide access to rural resources and farms as well as to urban businesses and residences. People usually travel only short distances on local roads and streets, and they are likewise characterized by low speeds.

Designation of a road as part of the NHS or as being eligible for Federal aid does not mean the road is owned, operated, or maintained by the Federal Government. The designation is simply the first step in establishing the eligibility of selected State and local road systems for Federal assistance programs. The Federal Government does not own any roads except those on Federal lands. The familiar United States shield along a route does not necessarily mean it is a Federal or even Federal-aid road; the marker is simply part of a route-marking system set up by the States to guide travelers. Many States and local agencies build and improve Federal-aid routes and other roads entirely with their own funds, in addition to using Federal-aid funds to improve Federal-aid routes. The Federal Government has no direct responsibility in the construction of non federally-assisted projects.

FEDERAL-AID PROGRAMS

Funds for the various surface transportation programs generally are made available on the first day of each fiscal year, October 1, from the authorizations provided for that fiscal year in the ISTEA and from that year's appropriations of funds (see Financing Process on page 27). Certain other funds are distributed at other times during the fiscal year. The receiving agencies, in most cases, do not have to use the funds in that fiscal year. They have from one to four years to use the funds, depending on the funding category. Under several highway funding categories, State highway agencies can transfer funds from one category to another. There are no transfer provisions for transit categories. Also, in most cases, the receiving agencies must provide matching funds in order to use the Federal assistance. The required match ranges from 10 to 20 percent.

Surface Transportation Programs Authorizations



The programs described below are divided into four groups that reflect their common objectives and purposes: highway related, transit related, intermodal, and supportive.

Highway Related Programs

This group of programs have as their main purpose the construction, reconstruction, or improvement of eligible Federal-aid highways.

National Highway System (Program)

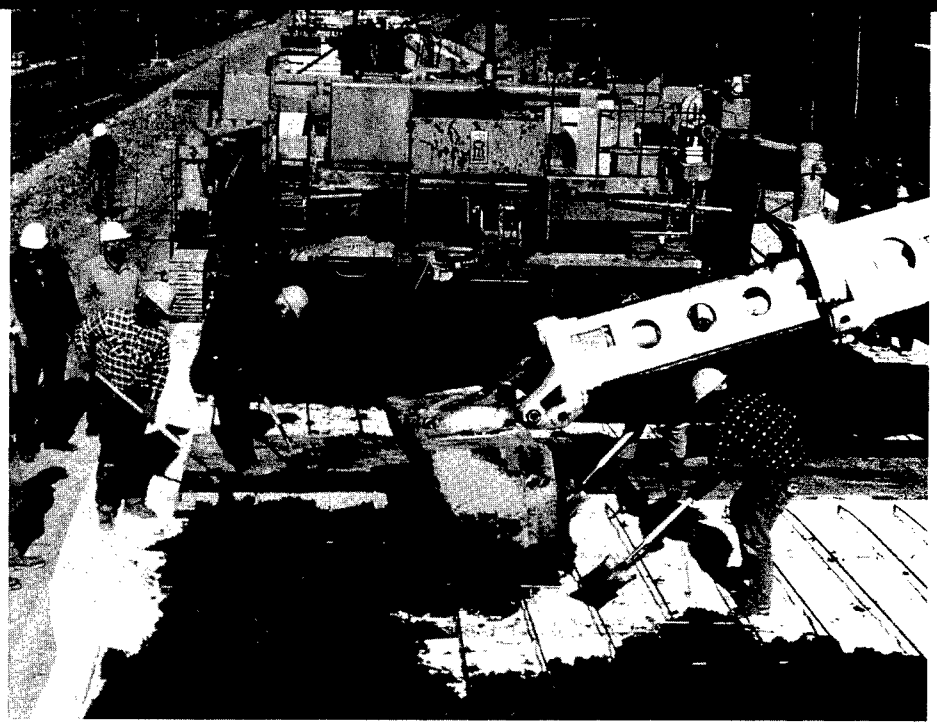
The NHS program directs a significant amount of Federal resources on roads that are most important to interstate travel and national defense, roads that connect with other modes of transportation, and roads essential for international commerce. There is a limitation of 155,000-miles (+ or –15 percent) for the NHS, which must be approved by Congress on or before September 30, 1995. Until the system is approved by Congress, highways classified as principal arterials are eligible for the use of NHS funds. A functional reclassification of all highways including principal arterials is to be submitted to congress no later than September 30, 1993.

The NHS increases the efficiency and value of the Interstate System by focusing Federal attention on the highways of greatest national significance and by providing better access to the Interstate System for those parts of the country it does not directly serve. The NHS will be an interstate commerce "workhorse," carrying 75 percent of heavy truck travel and 40 percent of all national highway passenger travel.

A State may transfer some or all of the funds it has received through this program to the Surface Transportation Program (see below). A State may transfer up to 50 percent of its distributed amount for a fiscal year without justification. It may transfer more than 50 percent (up to 100 percent), but the Secretary of Transportation must provide an opportunity for public comment on the transfer and then agree that it is in the public interest.

Interstate Construction Program

For the past 35 years, the Interstate Program has been the largest of the Federal-aid highway programs, in terms of dollars authorized. Now the fifth-largest surface transportation program, the Interstate program has 99.7 percent of its mileage open to traffic as of late



1992. The relatively small amount of remaining work makes it unnecessary to continue to fund the Interstate Program at the higher levels of prior years. A part of each year's authorization is deducted and placed in a discretionary fund that is distributed at the discretion of the Secretary of Transportation to States that apply.

Interstate Maintenance

The Interstate Maintenance (IM) Program finances projects to rehabilitate, restore, and resurface the Interstate System. It is the third-largest funding category under the FAHP, which reflects the continuing philosophy that the FAHP should be focused on improving and preserving our Nation's most important network of highways—the Interstate System.

The IM Program allows a fourth "R," reconstruction, as an eligible activity except when for new lanes for single-occupancy vehicles. High-occupancy-vehicle (HOV) and auxiliary lanes are eligible for IM funding. It expands eligibilities even further to include preventive maintenance when a State can demonstrate through its pavement management system that such activities are a cost effective way of extending interstate pavement (and bridge) life. Preventive maintenance activities include, for example, sealing joints and cracks, and patching concrete pavement. A discretionary fund is available to finance "4R" type projects on the Interstate System. The funds come through a deduction from NHS authorizations each year. States must apply for the funds after meeting certain conditions.

States also may transfer the amounts they are apportioned for the IM program in a fiscal year to the NHS program or the STP or both. A transfer up to 20 percent is allowed without justification. More than 20 percent (up to 100 percent) can be transferred, but the FHWA will approve the transfer only if the State can demonstrate that IM needs have been met for the fiscal year.

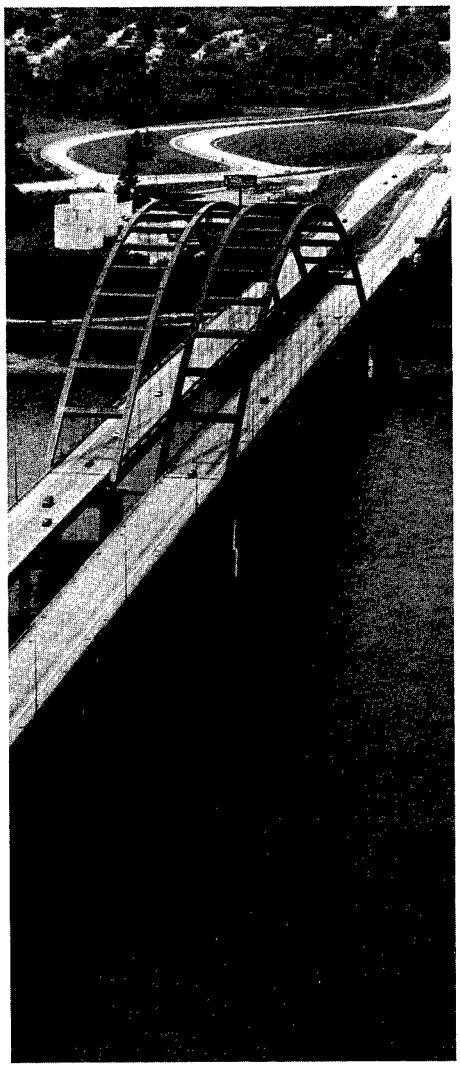
Bridge Replacement and Rehabilitation Program

This program provides funds for the rehabilitation or replacement of deficient bridges. The program resulted from concern over the large number of structurally and functionally deficient bridges in the country. At least 15 percent of Bridge Program funds distributed to a State must be used on local roads or rural minor collectors, and this percentage may be increased to 35 percent at the State's discretion. A State may transfer up to 40 percent of its bridge distribution for a given fiscal year to either the NHS program or the STP or both.

State standards apply for design, construction, operation, and maintenance of bridges not on the NHS including the "off-system" bridges on local roads and rural minor collectors.

There also is a bridge discretionary program to fund high-cost bridge projects. Discretionary funds are

provided through a deduction from amounts authorized for a fiscal year. States can apply for discretionary funds if they meet certain qualifying conditions. Of the bridge discretionary program funds, a portion is set aside to carry out a Timber Bridge Research and Demonstration Program. These timber bridge projects must involve bridges on rural Federal-aid highways other than local roads and rural minor collectors.



Federal Lands Highway Program

The Federal Lands Highway Program (FLHP) has three categories: Park Roads and Parkways, Indian Reservation Roads, and Public Lands Highways. Funding for the FLHP generally is allocated on the basis of relative need.

The Public Lands category provides funds for planning, constructing, and improving public roads going through public lands, including Forest Highways.

The Park Roads and Parkways category is designed to provide assistance for park roads that are owned by the National Park Service (NPS) and that provide access to and within the NPS.

Finally, the last category under the FLHP is Indian Reservation Roads (IRR). The IRR category consists of public roads owned by the Bureau of Indian Affairs (BIA) and State/local roads that provide access to and within Indian lands.

FLHP funding may be used for road planning, research, engineering, and construction; transportation

planning for travel and tourism; parking areas, interpretive signage, acquisition of scenic easements and historic sites; and provisions for pedestrians and bicycles as well as construction and reconstruction of roadside rest areas. There is no match required of the receiving agency; i.e., there is a 100 percent Federal share. Funds for FLHP are available for any kind of transportation project that is adjacent to or provides access to areas served by a particular class of FLHP funds.

Emergency Relief

Money from the Highway Trust Fund (HTF) is available through this program to repair roads and bridges damaged by natural disasters or catastrophic failures from external causes. To be eligible, facilities must be located on a Federal-aid highway. Each State is limited to receiving a maximum of $100 million per disaster. The Federal share may be 100 percent for emergency work done in the first 180 days after the occurrence of the event that triggered the need for Emergency Relief (ER) funds. Thereafter, the Federal share reverts to the Federal share applicable to the category of roadway and program source of funding being utilized. The Federal share for projects on Federal Lands Highways may be 100 percent. The territories are also eligible for ER funds but cannot receive more than $20 million per year.

Demonstration Projects

Congress also designates funds for use only on specific demonstration projects—so called because the authorizing legislation generally indicates that the purpose is to demonstrate a technique that could possibly be applied to similar projects elsewhere in the country.

The ISTEA included 539 congressionally designated highway projects in seven broad categories with a combined funding level of over $6.23 billion over a 6-year period. The seven categories of demonstration projects are:

- High-Cost Bridge
- Congestion Relief
- High-Priority Corridors on NHS
- Rural Access
- Urban Access and Mobility
- Priority Intermodal
- Innovative Projects

For most of these demonstration projects, 8 percent of the funds are to be distributed in FY 1992 while 18.4 percent per year will be distributed for the remaining 5 fiscal years. The Federal share is 80 percent for all projects except those that are on a Federally owned bridge or are eligible for assistance under the FLHP.

In addition to the demonstration projects included in authorization acts such as those discussed above, annual appropriations acts frequently include similar provisions. For example, the FY 1992 appropriations act authorized and provided funds for over 100 new demonstration projects that had never been included in an authorization act.

There are no transit demonstration projects included in the ISTEA. However, the act does direct that certain amounts of the authorization for the Section 3 Discretionary and Formula Capital program are to be used for 58 specified projects.

Scenic Byways

There are two programs related to the establishment and implementation of scenic byways. The first is a Technical and Financial Assistance program for the planning, design, and development of State scenic byway programs. The second is an Interim Scenic Byway Program to make grants to any State that has a scenic highway program for carrying out eligible projects on highways which the State has designated as scenic byways. All scenic byways funding is available at 80 percent Federal participation.

Transit Related Programs

These programs have as their main purpose the construction and improvement of mass transportation facilities, purchase of mass transportation equipment, or financial assistance for operating mass transportation systems.

Discretionary and Formula Capital Program (Section 3)

The Section 3 program provides funding for the establishment of new rail projects (new starts), the improvement and maintenance of existing rail and other fixed guideway systems, and the rehabilitation of bus systems. The ISTEA made significant changes in the allocation of Section 3 fixed guideway modernization funds. These funds are now allocated by formula rather than on a discretionary basis as in past years.

New starts funding still is allocated on a discretionary basis, and projects must compete for funding using specific criteria to justify the major investment involved in starting a new rail system. Section 3 Bus rehabilitation projects also are funded on a discretionary basis and must show that funding is needed beyond what is available through FTA's Section 9 and Section 18 formula programs. At least 5.5 percent of Section 3 bus funds must be used in nonurbanized areas.

A Federal share of 90 percent is allowed for the incremental costs of vehicle-related equipment needed to meet the requirements of the Clean Air Act and the Americans with Disabilities Act of 1990. This is similar to what is allowed under the Section 16 Program.

Non-Urbanized Area Formula Grant (Section 18) Program

This program provides capital and operating assistance, through the States, to non-urbanized (population less than 50,000) areas. Under the Section 18 program, a State must use 5 percent of the funds it receives in FY 1992, 10 percent in FY 1993, and 15 percent in FY 1994 (and thereafter) for intercity bus service, unless the State can certify that its intercity bus needs have been met. The remaining funds can be used for the capital, operating, and administrative costs of providing local rural public transportation. Up to 15 percent of the funds allocated to a State may be used for administration of the program.

Elderly and Handicapped Mass Transportation (Section 16) Program

This program provides capital assistance, through the States, to organizations that provide specialized transportation services to elderly persons and persons with disabilities. The funds may go to private non-profit organizations or to public bodies that coordinate service. Funds can be used for capital costs or for capital costs of contracting for services.

Although the basic Federal matching share is 80 percent, it will be 90 percent for the incremental costs of vehicle-related equipment needed to meet the requirements of the Clean Air Act and the Americans with Disabilities Act of 1990.

Intermodal Programs

These programs, although apparently highway or transit based, are intermodal in character and intent. Funding associated with these programs can be used either for highway or transit projects, with the choice being left to State and local officials working together.

Surface Transportation Program

The Surface Transportation Program (STP) gives States and local governments more flexibility, as well as responsibility, in shaping their transportation futures than any other program.

The STP is the largest of the surface transportation programs in terms of funding. Funds under this program may be used to improve any road not functionally classified as a local road or a rural minor collector, although bridge and safety projects financed under this program may be on any public road. Funding under the STP may be used to construct or improve roads and bridges as well as for bicycle facilities and pedestrian walkways, carpool and vanpool projects, capital and operating costs for traffic management and control, safety improvements, and wetland

mitigation, among others. Also, a State can choose to pay capital costs for transit projects and for publicly owned intracity or intercity bus terminals or facilities. Similarly, certain transit funds may be used for highway projects.

The Federal share for any of these projects is 80 percent, thus ensuring equity between modes.

A portion of the STP funds is earmarked for certain purposes. Two percent of a State's apportionment must be used for State planning and research (SPR) activities. Also, each State must use 10 percent of funds received for safety construction, (i.e., hazard elimination and rail-highway crossings) and another 10 percent for transportation enhancements. The latter is a category that encompasses a broad range of environmentally related activities such as acquisition of scenic and historic sites, preservation of abandoned transportation corridors, control and removal of outdoor advertising, and so forth. The remaining part of the State's apportionment must be distributed within the State according to the following formula:

- Sixty-two and one-half percent of the remaining funds must be suballocated by population to urbanized areas over 200,000 and to other areas of the State.
  - Of the portion that goes to areas under 200,000, areas of less than 5,000 population must receive at least 110 per cent of the amount apportioned to the State in FY 1991 for the old Federal-aid secondary system.
- The other 37.5 percent can be used in any area of the State.

(This formula does not apply to Alaska and Hawaii; different percentages are used for Nevada).

Congestion Mitigation and Air Quality Improvement Program

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) directs funds toward transportation projects in certain Clean Air Act non-attainment areas. These projects must contribute to meeting the attainment of national ambient area air quality standards for carbon monoxide, ozone, and small particulates. If a State has none of these non-attainment areas, the funds may be used as if they were STP funds.

Funding for the CMAQ program is distributed based on each State's share of the population of air quality non-attainment areas weighted by degree of air pollution. A minimum of one-half percent is guaranteed to each State.

States with ozone or carbon monoxide (and, under certain conditions, small particulate matter less than 10 microns in size (PM-10)) non-attainment areas may only use CMAQ funds for projects that are likely to contribute to the attainment of national ambient air quality

standards. Improvements to transportation system efficiency, reductions in vehicle use or travel, and most other measures that reduce vehicle emissions may be funded by documenting the projected air quality improvement. Transportation projects that are part of an approved State [air quality] Implementation Plan (SIP) and have air quality benefits are eligible for funding.

No projects that provide new capacity for single-occupant-vehicles (SOV) may be funded with CMAQ funds unless the project is an HOV facility open to SOVs at other-than peak travel times.

Transit Block Grant (Section 9) Program

This basic transit program provides capital and operating assistance to urbanized (population 50,000 or more) areas. Section 9 funds are apportioned by a statutory formula based on population and population density for areas under 200,000 in population; and on population, population density, and transportation data for areas over 200,000 in population.

Section 9 funds can be used for transit capital and operating costs, although the amount that can be used for operating assistance is limited by a statutory cap for each urbanized area.

Section 9 capital-only funds also can be used for highway projects in Transportation Management Areas if the MPO approves, all needs related to the Americans with Disabilities Act have been met, and funds used for the matching share are eligible for use for either highways or transit.

Interstate Substitute

This program provides funds for the substitute highway and transit projects that resulted from earlier decisions to withdraw Interstate routes and replace them with other types of Federal-aid projects. This program is authorized a specific amount each year for substitute highway projects. The authorizations are distributed based on the cost to complete the substitute project. Funds for substitute transit projects must be appropriated each year. The appropriated transit funds are distributed in proportion to the cost to complete each project.

Substitute highway projects may be located on any public road. States may use up to 2 percent of their apportioned highway interstate substitute funds for highway planning and research purposes. States also may choose to use substitute highway funds on substitute transit projects.

Supportive Programs

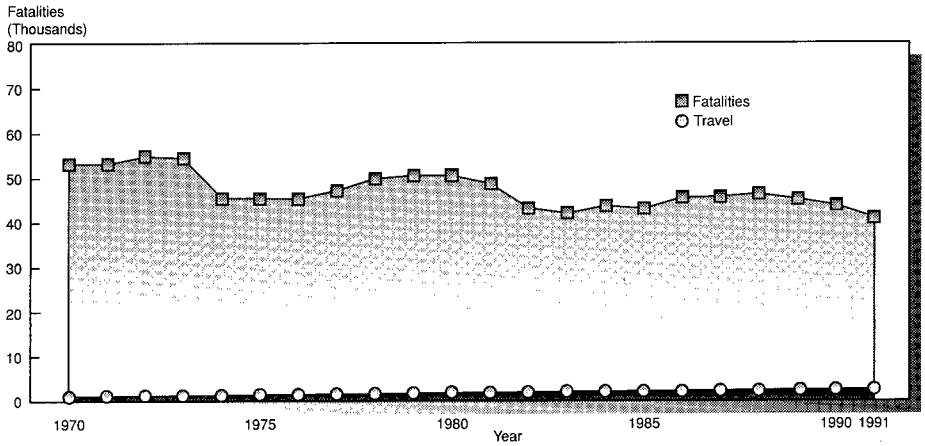
This group of programs is not directed toward physical work on transportation projects (e.g., construction). Rather, these programs provide financial assistance for activities related to the development of projects and for promotion of safe and efficient surface transportation facilities.

Highway Safety Program

Highway safety improvements can be made using regular Federal-aid highway funds (see section on eligible uses of highway funds). In addition, the Highway-related Safety Program authorized by Section 402 of the Highway Safety Act of 1966 provides funds for nonconstruction activities that lead to the identification of problems and the selection and implementation of safety construction and traffic operational improvements, regardless of the source of funds used to make the improvements. Typical activities carried out under this program include collecting and analyzing data, conducting engineering studies and analysis, developing technical guides and materials for State and local highway agencies, providing technical safety training, and developing safety construction programs.

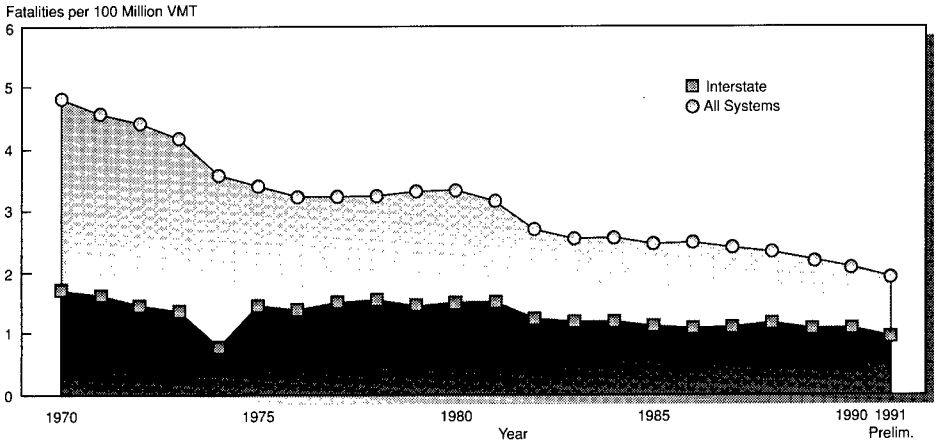
A companion program administered by the National Highway Traffic Safety Administration (NHTSA) provides funds under Section 402 for highway safety programs relating to the vehicle and the driver. In 1990, the fatality rate reached 2.07 (rate = fatalities per 100 vehicle miles of travel), a 57% decrease from 1970. According to preliminary data for 1991, motor vehicle fatalities

Estimates for 1991 Motor-Vehicle Fatalities



After a series of declines during the mid 1970s and early 1980s, the number of fatalities increased from 1986 to 1988, and then started to decline again. In 1988, there were 47,093 fatalities compared to 44,529 in 1990. The lowest number of fatalities in the 1970 to 1990 time span occurred in 1983 (42,589), while the largest number was in 1972 (55,704). Of the 44,529 1990 fatalities, 4,941 or 11.1 percent occurred on the Interstate System. An estimated 49.5 percent of highway fatalities in 1990 were alcohol related. According to preliminary data for 1991, fatalities still continue to decrease even though travel continues to increase.

Fatality Rates



The fatality rate – fatalities per 100 million vehicle–miles of travel (VMT)–on all highway systems continues to decline. In 1990, the fatality rate reached 2.07, a 57 percent decrease from 1970. The decrease in the fatality rate occurred despite a 91.6 percent increase in highway travel and a 78 percent increase in motor vehicle registrations during the 1970 to 1990 time period. The fatality rate (1.10) on the Interstate System is a little over one-half the rate on all highway systems. Preliminary data for 1991 indicates a further decline in the fatality rate on all systems.

still continue to decrease even though travel continues to increase. These programs are administered by the Governor's Safety Representative in the State highway safety agency. Beginning in FY 1993, amounts are made available out of agency. Beginning in FY 1993, amounts are made available out of Section 402 authorizations for specific purposes—Section 410 alcohol incentive grants, motorcycle helmet and safety belt use law grants, and the National Driver Register.

State Planning and Research

State planning and research (SPR) activities under FHWA's programs are not funded through a separate authorization category. Rather, 2 percent of the Federal-aid highway apportionments for most major programs is earmarked for SPR activities. On the other hand, 10 percent of the funds set aside for FTA's Transit Planning and Research activities are distributed to the States by formula for SPR activities. Transportation planning activities include engineering and economic surveys and investigations; studies of the economy, safety, and convenience of highway usage. State planning activities also include development of transportation systems, implementation of transportation management systems, and financing of future highway programs and local public transportation systems. Highway research is conducted in such areas as maintenance, safety, and design.

Metropolitan Planning

Additional funding is provided for urban transportation planning activities. The funds come through a 1 percent deduction from the authorizations from some of the major programs of the FAHP and through a specific authorization in the Federal Transit Act. Both the deduction and the authorization are distributed to the States to finance these activities, which include developing transportation plans and programs in the metropolitan areas that encompass urbanized areas with populations of over 50,000. Metropolitan planning activities are conducted by State and local units of government.

International Outreach Program

The FHWA has a long history of providing technical assistance to foreign countries. The FHWA has provided technical assistance and aided foreign countries in establishing their highway organizations through the training of staff members and has assisted in the planning, design, construction, operation, and maintenance of their highways. The ISTEA established the International Highway Transportation Outreach Program, giving FHWA broader authority in implementing new international objectives. These objectives include the development of programs to support the U.S. private sector, augmentation of FHWA participation in international technology exchanges, and assumption of a more significant role in international organizations such as the Permanent International Association of Road Congresses (PIARC) and the Organization for Economic Cooperation and Development (OECD).

However, FHWA's international leadership role involves more than the exchange of technology development with foreign countries; it affects the advancement of the international competitive position of the United States. It also involves the attainment and dissemination of new innovative technology that will help ensure that the U.S. surface transportation system is efficient and truly "world renowned."

Local Transportation Assistance Program

A significant number of users in the highway community are represented by local highway agencies. The FHWA interacts with them through its Local Technical Assistance Program (LTAP). The LTAP (formerly the Rural Technical Assistance Program) serves as the primary channel through which innovative, state-of-the-art transportation technology is prepared and delivered to both urban and rural local communities in the United States. In 1982, a network of Technology Transfer Centers was established to work with local transportation agencies in addressing their specific goals and to present new technology and product alternatives to meet those goals. The number of centers has grown from the initial 10 centers to 50, with another anticipated in 1993.

The LTAP provides access to new technologies to local governments and agencies with limited resources. These technologies help them operate their transportation programs more efficiently and economically.

Rural Transit Assistance Program

FTA's rural transit assistance program promotes delivery of safe and effective public and private transportation in nonurbanized areas and develops national rural transportation resources to aid in information dissemination.

Motor Carrier Program

The FHWA administers a national motor carrier program, the primary mission of which is to reduce commercial motor vehicle accidents. The FHWA is principally involved in the development of Federal regulations, setting the minimum standards deemed necessary for safe over-the-road operations. These regulations affect more than 200,000 motor carriers operating 3 million commercial vehicles with 6 million drivers.

Founded on the principle that a safe operation requires a properly maintained vehicle, a qualified driver behind the wheel, and cargo securely contained, the regulations cover:

- Minimum qualifications of truck and bus drivers,
- Maximum hours of service of drivers,

- Employee health and safety,
- Installation and use of vehicle safety equipment,
- Vehicle inspection and maintenance practices,
- Reporting and recording of accidents, and
- Insurance levels for financial liability.

A major focus of the FHWA is safety review, which has a dual purpose. This review determines whether a motor carrier has adequate management and safety controls in place to assure compliance with Federal regulations, and it provides carriers with educational and technical assistance in any areas of non-compliance. Motor carriers are assigned a safety fitness rating following each safety review.

The FHWA oversees the Motor Carrier Safety Assistance Program (MCSAP), a cooperative endeavor between the Federal Government and the States to enforce uniform safety and hazardous materials regulations and rules applicable to commercial motor vehicles and their drivers. Congress established this grant program in 1982 to fund State enforcement of Federal motor carrier regulations. A key activity in this Federal/State partnership involves the driver/vehicle roadside inspections that are conducted by State inspectors annually. These inspections remove from the highway unsafe vehicles and drivers. They are placed out-of-service until the hazard is abated.

The FHWA has also established a comprehensive program to reduce highway accidents that could result from driver use of controlled substances. This program will consist of careful testing, combined with suspensions or lifetime disqualifications for drivers who test positive for controlled substance use.

Other FHWA national motor carrier safety programs involve identifying cause-and-effect relationships of accidents in general and hazardous materials incidents in particular, and developing countermeasures.

Research

The U.S. Department of Transportation and the Congress share a commitment to surface transportation research programs. This is reflected in several major activities, the first of which is an Applied Research and Technology Program. This program provides for accelerated testing, evaluation, and implementation of technologies designed to improve the durability, efficiency, environmental effect, productivity, and safety of highway, transit, and intermodal transportation systems.

The FHWA, through its Nationally Coordinated Program (NCP) of Highway Research, Development, and Technology, oversees the major research programs in the highway field. The focus of the NCP is to ensure that available resources, regardless of source, are used to find solutions to high-priority problems. Activities funded by the Federal Government include research conducted or sponsored by the FHWA and research sponsored through SPR programs and the National Cooperative Highway Research Program (NCHRP). The NCHRP is administered through the Transportation Research Board of the National Academy of Sciences. Thus, the NCP takes into account research supported by the Highway Trust Fund (HTF) as well as research conducted by private industry, national organizations, private research organizations, universities, and other Federal agencies.

Another major research activity is the Intelligent Vehicle Highway System (IVHS) program. This is an innovative program to apply advanced concepts and technology in the areas of communications, navigation, and information systems. The integration of these systems will reduce traffic congestion problems,

and, at the same time, improve highway safety and air quality. Major components of the IVHS program include research and development of applications of advanced technologies and new system concepts; a Corridors Program where advanced technologies are operationally tested along major highway networks; development of an architecture for a nationally compatible IVHS; development of a prototype automated highway system; and an institutional issues program where factors that may deter or assist IVHS implementation are identified and researched. Congress authorized approximately $660 million over a six-year period for the IVHS program.

A third major research activity is FTA's National Transit Planning and Research program, which is authorized at 30 percent of the overall amount for Transit Planning and Research. It provides for discretionary grants and contracts to investigate all areas of transit and funds demonstration projects, managerial training, university research, and human resources activities.

A related activity is a Transit Cooperative Research Program (TCRP) through which the transit industry will select projects that meet the immediate needs of transit operators and suppliers. The program allows the industry, through an independent governing board named TOPS, to determine its research priorities and oversee the conduct of a research agenda responsive to its needs. The Transportation Research Board is responsible for conducting research projects identified by TOPS. The TCRP results are widely disseminated by the American Public Transit Association to local transit agencies, service providers and suppliers.

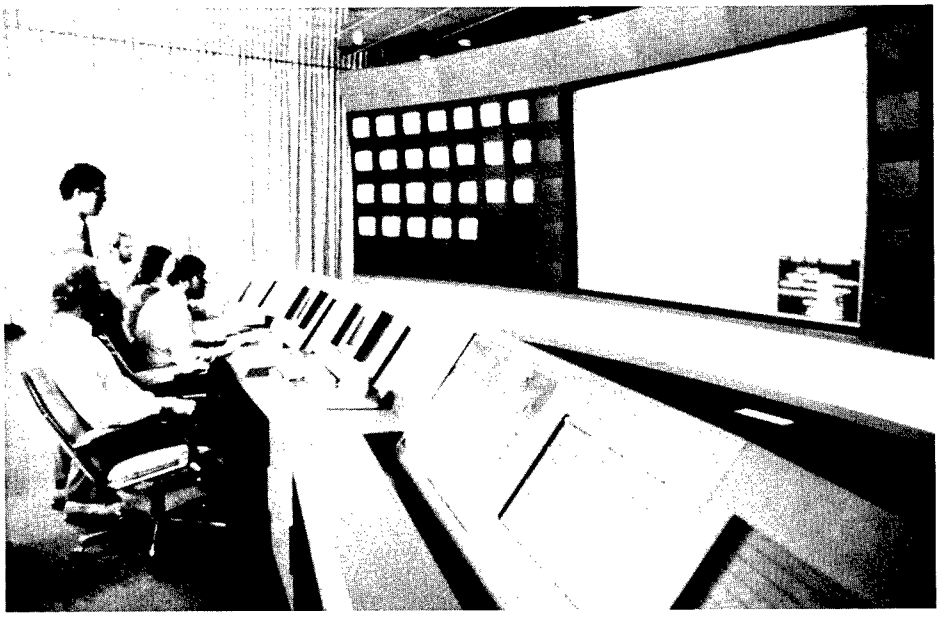
National Highway Institute

The National Highway Institute (NHI), an office of the FHWA Associate Administrator for Research and Development, is responsible for identifying current and future technical training needs and for developing training to satisfy those needs in cooperation with FHWA headquarters and field offices and State highway agencies. The NHI highway education and training programs are directed toward Federal, State, and local highway agencies, as well as U.S. citizens from the private sector and foreign nationals involved in highway work of interest to the United States.

A State may use one-sixteenth of 1 percent of its STP funds for payment of up to 80 percent of the cost of training and education for State and local highway employees, excluding travel, subsistence, and salaries.

National Transit Institute (NTI)

The NTI develops training programs in transit planning, management, environmental factors, acquisi-



tion and joint use of rights-of-way, engineering, procurement strategies, turn-key systems and many other techniques and methods of making transit operations more efficient and effective. Three million dollars per year from the national, State, and TCRP programs are available to the NTI, which is housed at Rutgers University. In addition, up to one-half of 1 percent of Section 3 and Section 9 funds can be made available for training at the NTI.

Nondiscrimination Programs

These programs require that Federal-aid recipients, subrecipients, and contractors prevent discrimination and ensure that no one is subjected to discrimination in terms of impacts, access, benefits, treatment, or employment regardless of whether those programs and activities are federally funded. Neither race, color, national origin, sex, age, nor handicap/disability may serve as a basis for any discriminating action or inaction.

Recreational Trails

The ISTEA established the National Recreational Trails Program for allocating funds to the States for recreational trails and trail-related projects. The program is administered by FHWA in consultation with the U.S. Department of Interior. Projects must be from trail plans included or referenced in a Statewide Comprehensive Outdoor Recreational Plan required by the Land Water Conservation Fund Act.

The eligible uses of the funds under this program are administrative costs, environmental and safety education programs, development of urban trail linkages, maintenance of existing trails, restoration for people with disabilities, acquisition of easements, costs of fee simple title for property, and the construction of new trails. To remain eligible to receive funds after December 18, 1994, States must have a recreational trails advisory board, dedicate State fuel taxes on non-highway recreational fuels for recreational trails, and have a State official designated by the Governor to administer National Recreational Trails Program funds.

ELIGIBLE USES OF SURFACE TRANSPORTATION PROGRAM FUNDS

Major Eligible Activities

Construction

In addition to the actual building of new highways and transit facilities or the resurfacing, restoration, rehabilitation, and reconstruction of existing highways, eligible activities include related activities attendant to such projects, including supervision/inspection, quality control, environmental protection and mitigation, surveying, mapping, signing, safety improvements, and maintenance of traffic, for example. These activities are essential to ensure construction of a safe, high-quality facility and to allow the traveling public to pass through the construction area safely. Excluded from the eligible activities is the normal maintenance of existing highways, which is the responsibility of the State or local government.

Engineering

Also included as eligible activities are project surveys, studies of location alternatives and their impact, preparation of environmental impact statements, studies of design alternatives, preparation of construction plans and specifications, and construction engineering.

Transportation Enhancements

Transportation enhancement activities include provision of facilities for pedestrians and bicycles; acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs; landscaping and other scenic beautification; preservation, rehabilitation, and operation of historic transportation buildings, structures, or facilities; preservation of abandoned railway corridors; control and removal of outdoor advertising; archaeological planning and research; and mitigation of water pollution due to highway runoff. These activities are to be considered/reflected in the development of metropolitan plans and programs, as well as the statewide transportation improvement program. Transportation enhancement activities may be funded by the Surface Transportation Program (STP) generally, and there is a 10 percent minimum earmark from the STP apportionment. Also, some additional funding is provided by set-asides from a few of the equity adjustment categories.

Right-of-Way Acquisition

Federal-aid funds may participate in the costs of acquiring the right-of-

way necessary for a highway or transit project. When property is acquired, the owners must be offered not less than the fair market value for the property as determined by accepted property valuation methods. When publicly owned lands (e.g., parkland) and/or facilities (e.g., schools) are required for a surface transportation project, Federal funds may be used under the functional replacement procedure to acquire substitute sites, and, if needed, to construct replacement facilities.

Safety Construction

Two safety construction programs eligible for Federal-aid funding are the Rail-Highway Crossings and Hazard Elimination Programs. The objective of the Rail-Highway Crossings Program is to eliminate hazards or hazardous situations at railway-highway crossings. Eligible activities under this program include the separation or protection of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings. The Hazard Elimination program is designed to identify and correct hazardous locations, sections, and elements such as roadside obstacles and unmarked or poorly marked roads, which may cause danger to motorists and pedestrians. Funding for both of these programs comes from a 10 percent earmarking of the STP apportionment.

Transit Capital

Transit capital improvements are eligible for funding under several mass transportation programs. Additionally, funds under the STP and Congestion Mitigation and Air Quality (CMAQ) categories may be used for this purpose. Also, transit projects (and non-National Highway System (NHS) highway projects) are eligible uses of NHS funds, under certain limiting conditions, in the corridor of fully access-controlled NHS routes.

Transit Operation

Transit operational costs are eligible under certain of the mass transportation program funds, although not with highway funds. Startup costs for operating new transit services are eligible under CMAQ.

Wetlands

Mitigation banking and other measures to offset impacts to wetland resources are eligible for Federal-aid funding under the STP and NHS. These measures may occur in advance of construction and may include direct contributions to statewide and regional wetland conservation and mitigation planning efforts. All measures funded under this provision will be consistent with applicable Federal requirements and the State transportation, environmental, and socio-economic planning processes.

Traffic Management

Start-up, capital, and operating costs for traffic management and control activities are eligible for Federal-aid. Funds can be used for the initial costs (including labor costs, administrative costs, and the cost for utilities and rent) as well as for capital and operating costs associated with the establishment and/or continuation of integrated traffic control systems, incident management programs, and traffic control centers.

Other Eligible Activities

Relocation Assistance

Advisory services and payments are provided to eligible individuals, families, businesses, nonprofit organizations, and farms displaced by Federal or Federal-aid highway projects. An eligible entity is reimbursed for either actual reasonable expenses in moving personal property, actual direct losses of tangible personal property, or actual reasonable expenses in searching for a replacement business or farm or through a fixed payment in lieu of the actual cost payments.

Eligible individuals and families are reimbursed for reasonable moving expenses and may be eligible for one or more of the following relocation payments: purchase or rent supplements for replacement housing, down payment to purchase a replacement dwelling, and funds to pay increased mortgage interest for the purchase of replacement housing. If replacement housing is not available on the open market or housing is not obtainable within the maximum dollar amounts permitted by law, the acquiring agency may take additional action to provide replacement housing; this action is known as "last resort housing." Relocation payments are made in addition to the fair market value amount paid for the acquisition of real property.

Relocation of Utility Facilities

States may use construction funds for the cost of relocating utility facilities (e.g., telephone, electric, water, and sewer) that need to be moved because of project location and design.

Bicycle Transportation and Pedestrian Walkways

The transportation value of bicycling and walking is widely recognized, and there are mechanisms for implementing consideration of bicyclists' and pedestrians' needs within the National Intermodal Transportation System. Significant opportunities exist for bicycle and pedestrian projects using Federal-aid funding from a number of the Intermodal Surface Transportation Efficiency Act (ISTEA) programs for these efforts. This includes funding to provide access for bicycles to mass transportation facilities and parking facilities for bicycles in or around mass transit facilities, as well as the installation of racks and other equipment for transporting bicycles on mass transit vehicles.

Bicycle and pedestrian facilities are eligible for construction under the NHS, STP, CMAQ, Federal Lands Highway Program (FLHP), Scenic Byways, and Recreational Trails programs. These projects, except for those funded through the Recreational Trails Program, must be principally for transportation rather than recreational purposes and must be located and designed in accordance with an overall plan developed cooperatively with the Metropolitan Planning Organization and the State. Projects undertaken with Recreational Trails funding must be consistent with a Statewide Comprehensive Outdoor Recreational Plan required by the Land and Water Conservation Fund Act.

States must develop long-range plans for bicycle transportation and pedestrian walkways for appropriate areas within the State. These plans

must be incorporated into the long-range plan for the State.

Carpooling and Vanpooling Activities

Carpool projects may be financed from NHS, STP, and CMAQ funds. A project may include providing carpooling opportunities for the elderly and handicapped, acquisition of vanpool vehicles, signing on existing facilities, establishment and operation of a ridesharing information system, public awareness expenses, and the construction of fringe and corridor parking facilities.

HOW SURFACE TRANSPORTATION PROGRAMS ARE FINANCED

Financing Process

The basic operation of the Federal-Aid Highway Program (FAHP), in terms of financial procedures, has not changed significantly since 1922. Since that time, funds have been made available from the Federal Government to the States in a continuous and cyclical four-step process. The operation of the Federal transit assistance program is similar, but a large part of the transit program is financed with annual appropriations. Because of this, these funds are made available through a five-step process.

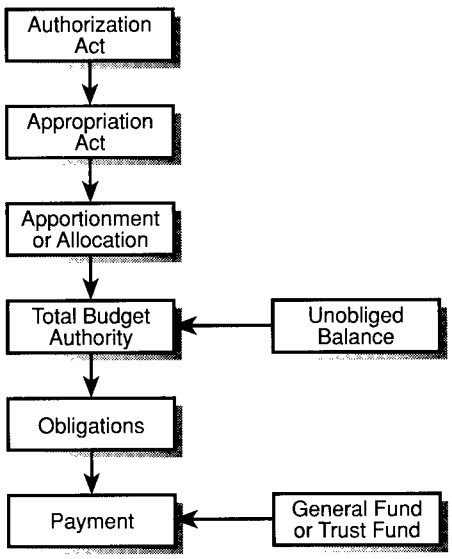
Step 1, Authorization

The first step is the authorization by Congress of funds for the various program categories. The authorizations contained in Federal-aid highway or Federal transit acts are the maximum amounts of Federal funds that may be used to finance each of the surface transportation assistance categories. Since the Surface Transportation Assistance Act (STAA) of 1978, Congress has been reauthorizing these categories about every 4 to 6 years.

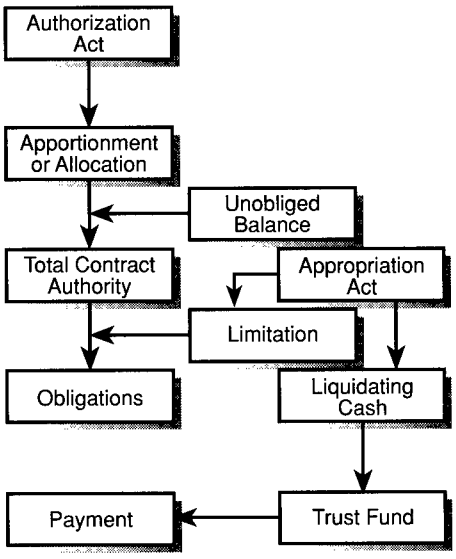
Step 2, Appropriations

For a large share of the transit programs (and for a very small number of highway programs), the second step is the enactment of the annual Department of Transportation Appropriations Act. This act gives the license to proceed and appropriations to those programs. An appropriation is the upper limit of funding Congress provides for Appropriated Budget Authority Programs. The amount appropriated may be less or equivalent to the amount previously authorized. Appropriations for transit programs may be from the Mass Transit Account of the Highway Trust Fund (HTF) or from the General Funds of the Treasury. Appropriations for highway programs may be from the Highway Account of the HTF or from the General Funds of the Treasury.

Appropriated Budget Authority Programs



Contract Authority Programs



It is in the budget/appropriations process that Congress concerns itself with overall Federal spending in terms of cash outflow; thus, an appropriations act often will include a limitation on obligations for highway and transit programs that operate under a contract authority process (i.e., does not require an appropriations action for distribution and commitment). Limitations also may be included in other acts, such as authorization acts. Contract authority programs are funded from the HTF (Highway Account and Mass Transit Account). Since the nature of the program (contract authority and reimbursement) prevents direct con-

trol of cash outlays in any year, Congress relies on limitations on obligations to slow down program spending. By placing a "ceiling" on obligations, future cash outlays are indirectly controlled.

The obligation limitation for highways applies only to one fiscal year. The limitation for transit programs can be carried over to the next fiscal year if not used.

The financial procedures for contract authority and budget authority programs are shown in the figures on page 27.

Step 3, Distribution

On the first day of the fiscal year, October 1, the FHWA and FTA apportion (distribute) most of the sums authorized for contract authority programs among the States and other recipients according to formulas prescribed in law. These formulas normally are intended to provide a reasonably fair distribution of the funds, reflecting a State's size, population, etc. However, there are presently several special categories of funds designed to adjust the distributions to reflect highway user tax contributions to the HTF by each State and to meet a statutory percentage each State must receive annually. The categories, known collectively as "Equity Adjustment," are Minimum Allocation, Donor State Bonus, Hold Harmless, 90 Percent of Payments Guarantee, and Reimbursement for Interstate Segments.

Other program funds are distributed following enactment of an appropriations act up to the amount of the appropriations and in accordance with distribution rules provided in highway, transit, and appropriations acts. Unlike highway funds, transit funds may be distributed to local governments as well as State governments.

Some program funds are not distributed by a legislatively mandated formula, and are divided among the States administratively; for others the distribution may be specified by Congress in the authorization language. These distributions are called allocations. For example, the Section 3 Discretionary Bus funds are allocated to individual projects on a discretionary basis.

It is important to recognize that at the time distributions are made, the States do not receive any cash. What has been authorized, and then apportioned, is the authority (in the form of a line of credit) for States to incur obligations (i.e., to obtain an agreement from the Federal Government to pay the Federal share of the cost of the approved projects). The State later receives cash for the Federal share of the cost of a project through a reimbursable process as costs are incurred on the project. If the grantee for a transit project were a local government, the local government will be reimbursed.

Also, the funds do not all have to be used in the year they are distributed. There is a period of availability generally of four years. Some funds are available until expended.

Step 4, Obligation

The fourth step in the financial process, obligation, is the commitment to a specific project of a portion of a state's distributed authority. This occurs continually throughout the year as projects are approved. For highway projects under ISTEA, a State can elect to have a single approval cover several projects. When States (or local entities) receive their apportionments or allocations (based on authorizations), they can immediately obtain Federal approval to proceed with projects (incur obligations) with the assurance that they will be reimbursed for the Federal share later. Before transit funds can be obligated, an eligible recipient must apply for the funds. The applications can be made throughout the fiscal year.

Step 5, Liquidating Cash

Finally, the fifth step requires an annual appropriations act to make money available to liquidate obligations (i.e., fulfill the promise to pay the Federal share) previously incurred. Only when vouchers for

completed work are submitted by the State (or transit grantee) is the money actually paid (normally by electronic transfer to the State's accounts).

Highway Trust Fund

The Highway Trust Fund (HTF) is the main source of money to reimburse States for expenditures on Federal-aid highways. Before 1956, the HTF did not exist, and appropriations to liquidate previously incurred obligations came from the General Fund of the U.S. Treasury. As previously noted, the program has operated in terms of contract authority, apportionments, and obligations since 1922, and the institution of the HTF did not change this. Only since the passage of the Congressional Budget and Impoundment Control Act (CBIA) of 1974 has the HTF been essential to the basic program operation. The CBIA prohibits the use of contract authority except for programs funded by a 90 percent user-financed trust fund. The HTF meets this criteria. If highway programs do not continue to be trust funded, then they could not have contract authority and an appropriations act would be necessary before the States could incur obligations. The HTF was established by Title II of the Federal-Aid Highway Act of 1956 as a mechanism to finance the highway program, especially the Interstate program, which had been greatly accelerated by the Federal-Aid Highway Act of 1956.

Federal Highway - User Fees[1]

User Fee Type	Rate on January 1, 1992
Motor Fuels[2]	
Gasoline	14.1 cents per gallon
Gasohol	
Made with Ethanol	8.7 cents per gallon
Made with Methanol	8.1 cents per gallon
Diesel Fuel	20.1 cents per gallon
Other Special Fuels	14.1 cents per gallon
Tires	0-40 Pounds, No Tax Over 40-70 pounds, 15 cents per pound in excess of 40 Over 70-90 pounds, $4.50 plus 30 cents per pound in excess of 70 Over 90 pounds, $10.50 plus 50 cents per pound in excess of 90
Truck and Trailer Sales	12 percent of retailer's sales price for trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 pounds GVW
Heavy Vehicle Use	Annual Tax: Trucks 55,000-75,000 pounds GVW, $100 plus $22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds Trucks over 75,000 pounds GVW, $550

[1] See Table FE-101 in "Highway Statistics 1990" for a more complete description of Federal Highway-User Fees.

[2] Motor fuel tax rates shown include 0.1 cent per gallon dedicated to the Leaking Underground Storage Tank Trust Fund and 2.5 cents dedicated for reduction of the National Debt.

The principal revenue source of the HTF has been the Federal motor-fuel tax. The Omnibus Budget Reconciliation Act (OBRA) of 1990 increased this tax from 9 cents to 14 cents per gallon (Diesel fuel was increased from 15 to 20 cents per gallon). This 5-cent tax increase is divided equally — 2.5 cents dedicated to the HTF and 2.5 cents dedicated to deficit reduction. The ISTEA ends the 2.5 cents for deficit reduction in FY 1995 but extends the 2.5 cents going to the HTF through FY 1999. Other taxes that contribute to the HTF are tax rates for truck purchases, tires, and heavy vehicle use. The current highway user fee structure is shown in the table entitled Federal Highway-User Fees shown above. The overall effect of recent tax changes has been to provide a significant increase in funds available for transportation improvements.

The STAA of 1982 reserved, for the first time, a specific portion of highway-user revenues going into the HTF for mass transit improvements. Originally set at 1 cent of the motor-fuel tax under the 1982 Act, the OBRA of 1990 increased the amount going to the Mass Transit Account within the HTF to 1.5 cents.

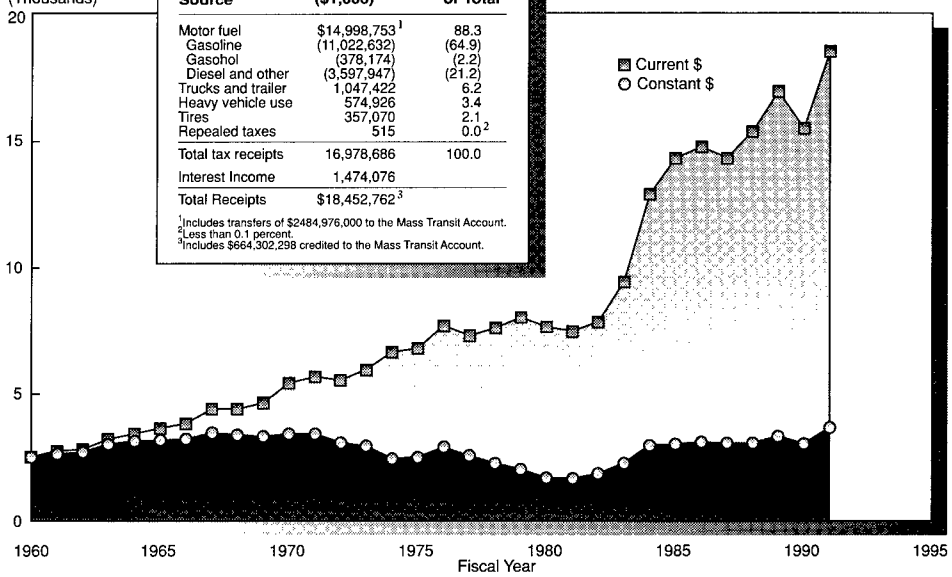
The relationship between the HTF and the actual amount authorized for Federal-aid projects is often misunderstood. The operation of the HTF requires that Federal highway and transit expenditures not exceed expected revenues. Because of the reimbursable nature of the program, actual payments out of the HTF may occur up to 4 years after apportionments are made. Thus, congressional authorizations can be (and usually are) made in advance of revenues, while still maintaining the HTF on a pay-as-you-go cash basis. It is often said that the HTF has a surplus. More accurately, it has a cash balance because of the nature of this reimbursable program. The cash in the HTF will be needed to honor the commitments to pay the Federal share of project costs as those bills come due. Thus, the balance alone at any given time cannot reflect the true status of the HTF since revenues continually are being deposited and vouchers being paid. Only by projecting revenues and commitments through the life of the Fund (scheduled now to expire on September 30, 1999) can the real status of the HTF be determined.

Federal Highway Trust Fund Receipts

Federal Highway Trust Fund
Net Receipts – FY 1991

Source	Receipts ($1,000)	Percent of Total
Motor fuel	$14,998,753[1]	88.3
Gasoline	(11,022,632)	(64.9)
Gasohol	(378,174)	(2.2)
Diesel and other	(3,597,947)	(21.2)
Trucks and trailer	1,047,422	6.2
Heavy vehicle use	574,926	3.4
Tires	357,070	2.1
Repealed taxes	515	0.0[2]
Total tax receipts	16,978,686	100.0
Interest Income	1,474,076	
Total Receipts	$18,452,762[3]	

[1]Includes transfers of $2484,976,000 to the Mass Transit Account.
[2]Less than 0.1 percent.
[3]Includes $664,302,298 credited to the Mass Transit Account.



Most receipts from the Federal taxation of motor fuel, along with a number of other highway – related taxes are deposited in the Federal Highway Trust Fund. The Trust Fund is made up of two accounts -- highway and mass transit – and is dedicated for the funding of Federal surface transportation programs. In this way, taxes on highway users are used to fund highway facilities. The Trust Fund has provided a stable funding source for highway programs since it was established in 1956.

Motor – fuel tax receipts accounted for $14,999 billion in Fiscal Year 1991 or 88.3 percent of all Trust Fund tax receipts. Other taxes accounted for $1.980 billion. The balance in the Trust Fund earned interest income of $1,474 billion.

Alternative Financing

While traditional Federal and State taxes have served well as the main funding source for the development of our Nation's transportation system, it is agreed by many transportation officials that these taxes cannot continue to meet the growing backlog of highway and bridge repairs in addition to meeting demands for system expansion.

Significant financial flexibility is now provided to help mitigate the financial burden that State and local governments currently face. There now are fewer restrictions on the use of toll financing in the Federal-aid

program, and leveraging of Federal funds with private investment is allowed.

Federal-aid highway funds can be used to construct new toll roads and reconstruct current toll facilities. Also, tolling of most free Federal-aid facilities to support much needed reconstruction is permitted. Federal-aid can be leveraged with toll-based finance, and private investment can be introduced.

There also is the potential for cost-sharing in the context of public/private partnership. State DOTs can develop new ways of sharing responsibility and financing with other "partners" — public or private sector entities. They may be either State or local toll authorities or private sector entities. The private entities emerging are mixes of investor, construction, management, and technology companies. Under franchise or public utility-type contracts, these entities may design, finance, construct, and operate highway facilities. This flexibility allows individual States to custom-design cooperative public/private financing approaches that serve their particular needs.

Together, these measures provide States with the opportunity to expand the total resources available for transportation.

HOW THE PROGRAM OPERATES

The process of developing and implementing a highway project generally is lengthy, often taking many years to proceed from planning to completion of the project. There is no law requiring the States to participate in the Federal-aid highway program, although there is a very strong financial incentive. Participation brings not only financial assistance, but also Federal requirements and conditions that must be met in order to receive the financial assistance. Each State is unique because of institutional as well as philosophical differences, and each approaches the various activities of the highway program differently.

The procedures and required time for completion vary considerably according to type of project. For example, planning, designing, and constructing a new freeway may take several years, but resurfacing an existing street or purchasing buses may take only a few months. The following description shows the usual steps involved in the development and implementation of a project. This process can be divided into three groups of activities — program development, project development, and system management and operation. For minor projects, such as traffic operations improvements and ride-sharing, more simplified procedures are often applied.

Program Development Activities

It may not be necessary to complete all of the program development activities for any one particular project. However, most activities are completed in the sequence in which they are discussed here. Completion is rarely achieved, however, because the activities are continuous, involving feedback from one another and from various activities in the project development process. Further, the activities often involve overlapping stages or phases that may be repeated (with refinements) in subsequent activities.

Transportation Planning

Transportation planning is a continuous activity that analyzes highway, transit, and other systems and facilities for existing and future needs; develops and evaluates alternative plans for meeting needs consistent with available resources; and develops programs of projects for implementing adopted plans. Substantial funding for planning is earmarked from Federal highway and transit program funds, and planning is eligible under several categories of funds.

The transportation planning process is conducted cooperatively by States, Metropolitan Planning Organizations (MPOs), and transit operators at both the State and metropolitan area levels. All governmental levels, public and private organizations, and the general public participate in the planning process. Special emphasis is currently being given to strengthening intermodal studies and to developing management systems for highway pavement, bridges, highway safety, traffic congestion, public transportation, and intermodal facilities and systems.

Transportation Programming

Transportation improvement programs are staged, multiyear lists of transportation projects or groups of projects that are eligible to be undertaken with Federal funds according to the years, types, and amounts of funds specified. The programs must be consistent with metropolitan and statewide plans. Inclusion of individual projects and their relative priority is by agreement of State, local, and/or transit officials according to the type of project and the source of funding. Individual projects must meet specific Federal eligibility requirements for the type of funds programmed and for the type of project.

Highway and transit projects cannot be approved for 23 U.S.C. or Federal Transit Act funds unless they meet several planning and programming requirements. There

must be a continuing and comprehensive transportation planning process carried on cooperatively by State and local communities. An intermodal transportation plan is required both at the metropolitan and statewide levels. The projects must be included in a federally approved Statewide Transportation Improvement Program (STIP) and, in metropolitan areas, in a metropolitan Transportation Improvement Program (TIP) approved by the MPO and the Governor. In a metropolitan area that is or was in nonattainment for National Ambient Air Quality Standards (NAAQS), the areawide plan, TIP, and programmed projects must conform to the State Implementation Plan (SIP) under the Clean Air Act.

Project Development Activities

Project development activities are those that a State or local government performs in advancing an individual project from the planning stage to completion. These activities are briefly described below in their sequential order, although there often is some overlap and some steps may not be taken on certain kinds of projects. Federal involvement is not emphasized in this discussion, but it occurs through a series of review and approval actions and authorizations to proceed with the next activity or stage of development.

Early Project Activities

The planning and programming process identifies a particular project for implementation. The preliminary engineering (PE) begins at this stage. For simple projects, e.g., correcting or upgrading an existing highway, these early project activities will concentrate on the analysis of present operating conditions to determine the type and extent of alternative improvements to consider. A range of alternatives are identified based on their ability to meet the project purpose and need.

One of the keys to analyzing project alternatives and their impacts is early and ongoing coordination with other interested agencies, groups, and the public. Their input plays an important role in the decisions made throughout the project development process.

Public involvement is an integral part of the entire project development process, is generally tailored to particular types of projects, and should mesh with public involvement activities coordinated during the development of an areawide or statewide plan. State transportation agencies, MPOs, and transit operators are responsible for developing public involvement programs that ensure that final project decisions are made in the best overall public interest. Meetings and hearings are two of the most commonly used public involvement techniques. Some of the other techniques that may be used include workshops, surveys, citizen advisory groups, newsletters, and international meetings.

Environmental Review

Under provisions of the National Environmental Policy Act (NEPA) of 1969, each proposed project must be evaluated to determine its impact on the environment. Some projects, such as minor widening, rehabilitation, or safety upgrading of highways and bus replacements, do not individually or cumulatively have a significant effect on the environment. Because of their minor impacts, these actions are termed Categorical Exclusions, and are excluded from the requirements to prepare an Environmental Impact Statement (EIS) or an Environmental Assessment (EA). For those projects that are not Categorical Exclusions, an EA is usually prepared. If the EA reveals that the impacts are not significant, then a "Finding Of No Significant Impact" (FONSI) is prepared. However, if there will be significant impacts, a draft EIS is prepared in cooperation with the State transportation agency. For major investments, the EIS will include an analysis of the cost-effectiveness of various alternative solutions. Appropriate Federal,

State, and local agencies, public officials, private interest groups, and members of the public are notified of the preparation of this document and are invited to participate in "scoping," or helping the State transportation agency to determine the range of issues and alternatives to be studied.

The draft EIS is distributed for comment to appropriate agencies, private interests, and members of the public expressing an interest in the proposed action. It is also made available to the public for comment prior to a public hearing on the proposed project. After comments on the draft EIS are received from the reviewing agencies and the public, a final EIS, which considers these comments, is prepared. This second iteration ensures that adequate consideration has been given to the views expressed and to the anticipated effects. Further project advancement (i.e., design, right-of-way acquisition, and construction) is not permitted until either the EIS/Record of Decision (ROD) or EA/FONSI approval process is completed.

EISs, which are prepared to comply with NEPA, discuss the need for the project, the various alternatives under consideration, and the social, economic, and environmental impacts associated with these alternatives. Methods to reduce impacts through mitigation measures are also discussed. Every effort is made to harmoniously blend the transportation project into the natural and manmade environment.

The Federal concern for the environment does not end with the approval of the NEPA document. Commitments made in that document ultimately affect the way the project is designed, constructed, and operated; environmental concerns are integrated into the entire project. In addition, coordination and consultation with various resource agencies are a continuing part of the project's development.

Project Design

After the applicable early project activities are complete, detailed project design begins. For highways, the basic alignment has already been approved in the environmental review, but at this stage alternative plans may be reviewed to obtain an economical and serviceable product. Safety is a primary concern in all designs, whether for a new or reconstructed road. The geometric alignment of a roadway includes consideration of sight distance and grade. The geometric design of a roadway includes consideration of horizontal and vertical alignment, pavement and shoulder widths, crown and superelevation, stopping and passing sight distances, as well as many other details associated with interchanges and intersections. Pavements are designed to optimize the life cycle cost, provide serviceability, and provide traction for all weather conditions.

For major transit projects, the result of the draft EIS stage will be a decision on the mode and alignment of the locally preferred alternative. The next step in the process will be final design and completion of a final EIS. Depending on the needs of the corridor, additional transportation related facilities may be included in the design. In larger cities, especially those experiencing recent shortages of fuel for motor vehicles, the

emphasis has been placed on the construction of high occupancy vehicle (HOV) lanes for buses and carpools and, in some cases, on the use of highway right-of-way for commuter railway facilities or the construction of bikeways adjacent to the highway. On some projects, special facilities are included as part of the total design to provide a safe means for pedestrians and the handicapped to cross the highway.

Since the Beautification Act of 1965, highway designs have frequently included aesthetic considerations. Roadside development provides for a more attractive environment for the motorists and adjacent properties, and also enhances safety through the removal of potentially hazardous obstacles.

Right-of-Way Acquisition

Following a determination of eligibility and approval from the FHWA or the FTA, the State or local government may begin acquisition of any property that may be necessary for project right-of-way. No displacements may occur unless the applicable relocation assistance requirements have been satisfied. In accordance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (as amended by Title IV of the STURAA of 1987), every eligible residential displacee who is displaced because of a Federal transit or a Federal-aid highway project must be offered a comparable replacement dwelling that is decent, safe, sanitary, and adequate to accommodate such displaced persons before they are required to vacate the dwelling being acquired. Relocation advisory services are furnished and payments are made to those who are required to relocate. Such payments cover costs incurred for moving, replacement housing, and certain incidental expenses. Businesses, farms, and nonprofit organizations also are reimbursed for moving and related expenses. After acquisition is complete, construction usually cannot begin until all right-of-way parcels have been vacated.

Project Administration

The FHWA is normally involved in overseeing the various stages of the development of a Federal-aid highway project. States are required to submit the Plans, Specifications, and Estimates (PS&E) for a project to the FHWA before actual construction can begin. The PS&E includes detailed construction plans, project specifications to guide the contractor, and an accurate estimate of construction costs. The FHWA approval of the PS&E constitutes a contractual obligation of the Federal Government to pay the State for the Federal share of the cost of the project. Once the PS&E is approved, a State advertises for bids on the work, and, with concurrence of FHWA, awards a contract.

However, the ISTEA has provided States considerable flexibility in establishing the degree to which the FHWA will be involved in the development process project. A State may request on a project-by-project basis or, for a class of projects, an exemption from FHWA project review and oversight. In order for a State to receive an exemption, it must certify that all work done on the project will meet Federal and/or State requirements depending on the project location. When the certification is approved, neither Federal approval of the project development steps nor Federal inspection of the projects is required.

These streamlining processes apply in general to all FHWA responsibilities relative to Title 23, but are not applicable to other Federal laws or requirements, such as NEPA, the Civil Rights Act, or the Uniform Relocation Act. For compliance with these provisions, FHWA must take necessary approval action on a project-by-project basis and cannot delegate its responsibilities to State or local governments.

For transit projects, FTA oversees implementation. While the agency does not approve project plans, it does monitor project progress through its Project Management Oversight process

and through triennial reviews. These reviews are designed to assure that grantee certifications of compliance with various Federal requirements are accurate. For major projects, FTA negotiates a Full Funding Grant Agreement (FFGA), which provides a multi-year commitment of funds to the project. The FFGA specifies the project scope and commits the recipient to completion of the project.

Project Construction

During actual construction, usually performed by a contractor, the State or local transportation agency supervises the work to ensure that contract plans and specifications are met and that work proceeds satisfactorily.

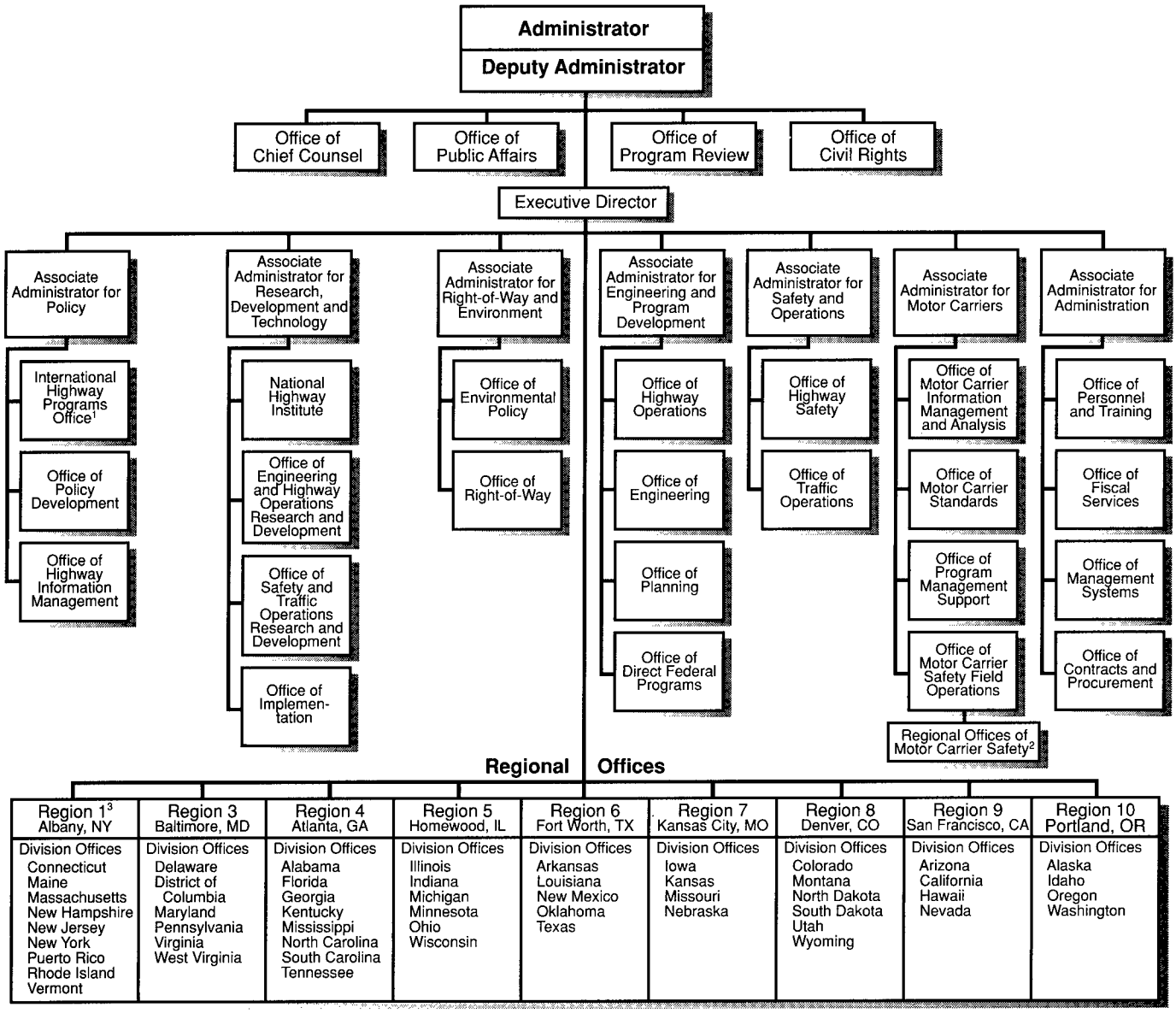
The State and local governments must establish procedures to ensure equal opportunity for employment on Federal-aid highway projects for all persons, regardless of race, color, religion, national origin, sex, age, or handicap. Furthermore, the transportation agencies are required to assure equal employment opportunity within their organizations and equal opportunity for their recipients. The States must also take action to include Disadvantaged Business Enterprise (DBE) participation in Federal-aid construction.

Management and Operation

The final group of activities pertains to the responsibilities assumed by the State and local governments. These governmental entities are to ensure that the highway and transit facilities are effectively and efficiently operated after they have been opened for public use. In some cases, the responsibilities are dictated by law. One of the responsibilities is the preservation and protection of the physical condition of roads. Federal laws require that the States properly maintain all federally assisted projects and certify that they are enforcing the maximum weight and size limitations for vehicles operating on Federal-aid highways. The maintenance responsibility includes maintaining proper signs, markings, and traffic control devices to facilitate the safe and efficient movement of traffic.

Other requirements that must be met before a State may fully participate in the highway program include the enforcement of the Nation's 55 mph speed limit (STURAA of 1987 permits a maximum speed limit of 65 mph on rural Interstate highways), the operation of an approved highway safety program, the establishment of a suitably equipped highway department, adherence to certain financial and accounting standards, and compliance with Federal nondiscrimination requirements. State and local governments are responsible for the enforcement of other traffic laws and ordinances.

Federal Highway Administration



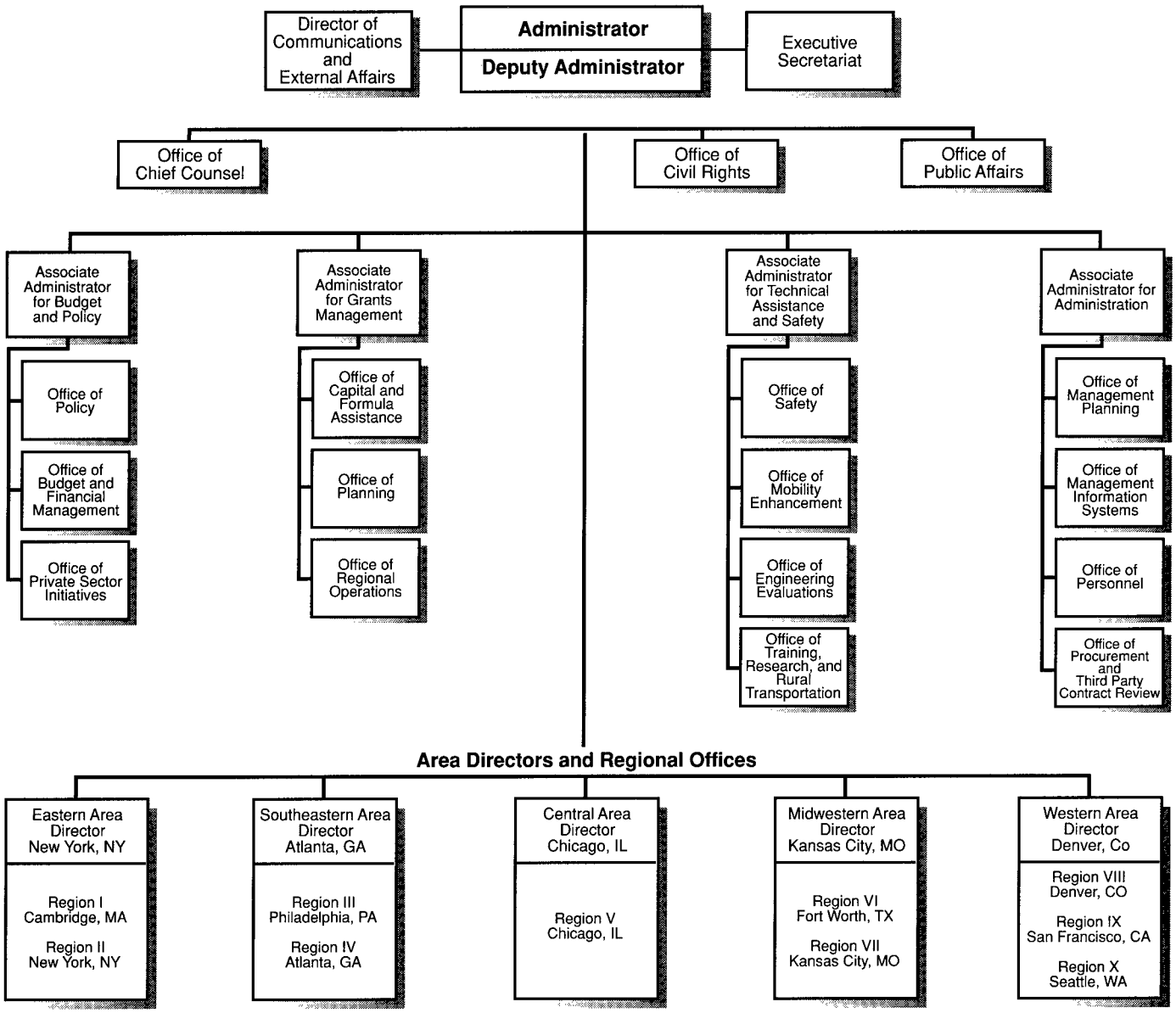
[1]International Highway ProgramsDivisions/Missions report to the Director, International Highway Programs Office.

[2]A Regional Office of Motor Carrier Safety is located in each of the nine FHWA regions.
[3]Region 1 conforms to standard Regions 1 and 2.

Field Regions of the Federal Highway Administration

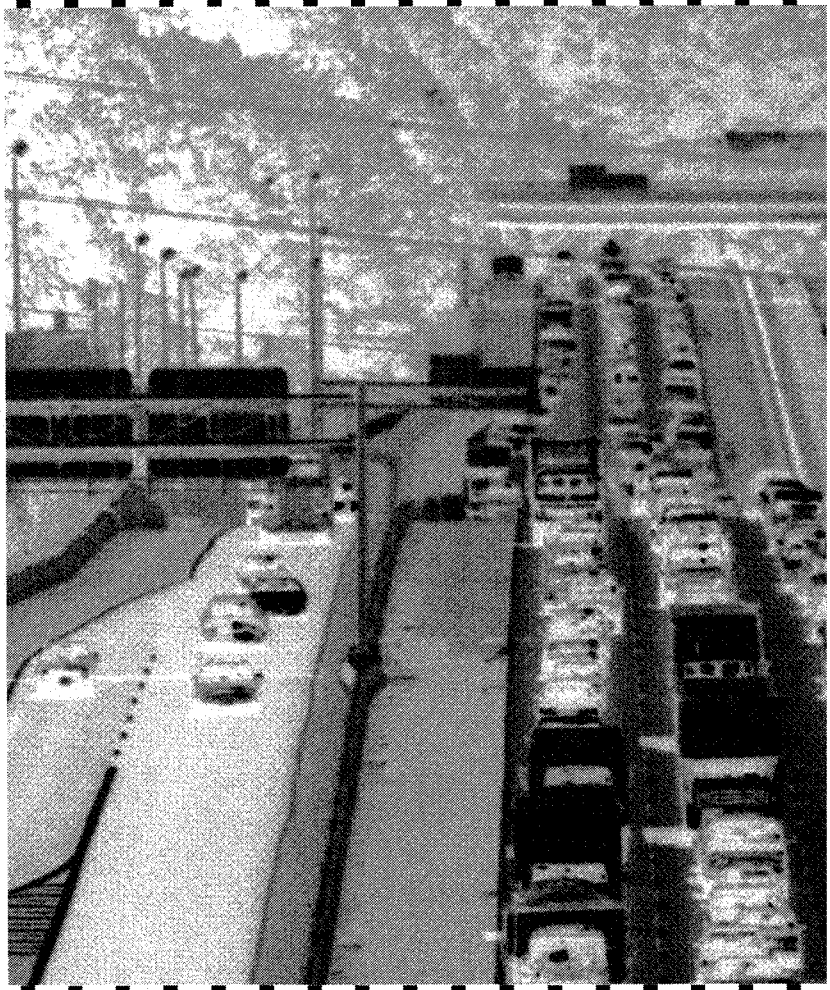
Regions	Areas of Service	Regions	Areas of Service
Region 1 Leo W. O'Brien Federal Building, Room 719 Clinton Avenue and North Pearl Street Albany, New York 12207	Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Puerto Rico, Rhode Island, Vermont, and Virgin Islands	**Region 7** 6301 Rockhill Road Kansas City, Missouri 64131 Mailing Address: P.O. Box 419715 Kansa City, Missouri 64131	Iowa, Kansas, Missouri, and Nebraska
Region 3 10 South Howard Street Suite 4000 Baltimore, Maryland 21201	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia	**Region 8** 555 Zang Street Room 400 Lakewood, Colorado 80228	Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming
Region 4 1720 Peachtree Road, N.W. Suite 200 Atlanta, Georgia 30367	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, and Tennessee	**Region 9** 211 Main Street Room 1100 San Francisco, California 94105	Arizona, California, Hawaii, Nevada, Guam, and American Samoa
Region 5 18209 Dixie Highway Homewood, Illinois 60430	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin	**Region 10** Mohawk Building, Room 312 708 SW Third Street Portland, Oregon 97204	Alaska, Idaho, Oregon and Washington
Region 6 819 Taylor Street Fort Worth, Texas 76102	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas		

Federal Transit Administration



Field Regions of the Federal Transit Administration

Area/Region	Area/Region	Area/Region	Area/Region	Area/Region
Eastern Area (Regions I, II)	**Southeastern Area (Regions III, IV)**	**Central Area (Region V)**	**Midwestern Area (Regions VI, VII)**	**Western Area (Regions VIII, IX, X)**
New York (TRO-II) Area Director & Regional Administrator 26 Federal Plaza Suite 2940 New York, NY 10278 8-212-264-8162 Boston (TRO-I) Regional Administrator Transportation Systems Center Kendall Square 55 Broadway, Suite 920 Cambridge, MA 02142 8-617-837-2055	Atlanta (TRO-IV) Area Director & Regional Administrator 1720 Peachtree Road NW Suite 400 Atlanta, GA 30309 8-404-347-3948 Philadelphia (TRO-III) Regional Administrator 1760 Market Street Suite 500 Philadelphia, PA 19103 8-215-656-6900	Chicago (TRO-V) Area Director & Regional Administrator 55 East Monroe St. Room 1415 Chicago, IL 60603 8-312-353-2789	Kansas City (TRO-VII) Area Director & Regional Administrator 6301 Rockhill Road Suite 303 Kansas City, MO 64131 8-816-926-5053 Dallas/Ft. Worth (TRO-VI) Regional Administrator 819 Taylor Street Suite 9A32 Ft. Worth, TX 76102 8-817-334-3787	Denver (TRO-VIII) Area Director & Regional Administrator Federal Office Building 1961 Stout Street Room 520 Denver, CO 80294 8-303-844-3242 San Francisco (TRO-IX) Regional Administrator 211 Main Street Room 1160 San Francisco, CA 94105 8-415-744-3133 Seattle (TRO-X) Regional Administrator Jackson Federal Building 915 Second Avenue Suite 3142 Seattle, WA 98174 8-206-553-4210



U.S. Department
of Transportation

**Federal Highway
Administration**

Publication No. FHWA-PL-93-016
HPP-24/8-93 (50M)E