

**SENATE COMMITTEE ON TRANSPORTATION**

**March 12, 1999 Hearing Room C**

**3:05 p.m. Tapes 38 - 39**

**MEMBERS PRESENT: Sen. Marilyn Shannon, Chair**

- **Sen. Mae Yih, Vice-Chair**

**Sen. Susan Castillo**

**Sen. Joan Dukes**

**Sen. Gary George**

**Rep. Vicki Walker**

**Rep. Larry Wells**

**MEMBERS EXCUSED: Sen. Lenn Hannon**

**Sen. Ted Ferrioli**

**STAFF PRESENT: Jim Stembridge, Administrator**

- **Gary Roulier,  
Administrative Support**

**MEASURE/ISSUES**

**HEARD: Federal  
Highway Administration  
Funding**

TAPE/#	Speaker	Comments
<b>TAPE 38, A</b>		
002	Chair Shannon	Opens meeting at 3:12 p.m. and opens informational meeting. Welcomes House Transportation Committee members Rep. Walker and Rep. Wells.
<b><u>FEDERAL HIGHWAY ADMINISTRATION FUNDING</u></b>		
010	Gloria Jeff	Deputy Administrator, Federal Highway Administration (FHA). Presents ( <b>EXHIBIT A</b> ) and praises Oregon's actions to improve highway safety by reducing the blood alcohol limit, passing the seat belt law, and integrating transportation and land use. Discusses the objectives of the US Department of Transportation (USDOT), and the changes brought about by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21 <sup>st</sup> Century (TEA 21).
046	Jeff	Outlines USDOT efforts to improve highway safety by focusing on large commercial vehicles, driver education and effective law enforcement. Notes that the budget is \$198 million which represents a 40 percent increase in many of the program categories. Explains that the major program categories are the national highway system, the surface transportation program, congestion mitigation, air quality, and transportation enhancements.

083      Jeff      Remarks that the USDOT also provides funding to the Metropolitan Planning Organizations. States that the federal government recognizes the importance of partnerships with the local and state governments in the development of an efficient and safe transportation system.

112      Jeff      Summarizes the development of the interstate highway system. Discusses work

with the resource protection agencies to ensure the environment is protected.

- 140 Chair Shannon Asks for the sources of revenue.
- 141 Jeff Responds by outlining the revenue sources which include the federal fuel tax of 18.4 cents. Adds that approximately 15.4 cents goes to highways, roads and streets, approximately 3 cents goes directly to the mass transit account, and 1 cent goes to leaking underground storage tanks.
- 155 Chair Shannon Asks about other sources of revenue and if the gas tax is the primary source of funding.
- 161 Jeff Responds it is and adds that additional funds are occasionally made available from the General Fund.
- 181 Chair Shannon Asks about a situation where Florida was granted funds for mass transit and applied the funds to roads, rather than mass transit.
- 193 Jeff Responds that the funds in question were local and not federal.
- 196 Chair Shannon Asks if it would be legal to apply funds earmarked for mass transit to roads.
- 202 Jeff Answers that it would be illegal.
- 205 Chair Shannon Remarks that each member would like to know how to get federal transportation funds into their districts and how funding requests are considered.
- 217 Jeff Responds that funds become available through several methods and that specific planning requirements must be met for funds to be granted. Adds that federal funds are for reimbursements.

241	Chair Shannon	Remarks that ODOT receives funds from the federal government that are project-specific.
249	Jeff	Responds that congressional legislators earmark funds for specific projects, but the USDOT is opposed to earmarking funds because it removes decision making from local authorities.
269	Chair Shannon	Asks who would be responsible for earmarking funds.
271	Jeff	Responds that congressional members are the only ones able to earmark funds.
275	Sen. Dukes	Remarks that Senator Wyden and Representative Furse were active in earmarking specific projects.
287	Jeff	Reiterates that 3 cents of the 18.4 cents goes to mass transit.
289	Sen. Dukes	Remarks that some of the funds are flexible in their application.
296	Jeff	Agrees that there are categories of funds that have flexibility.
300	Sen. Dukes	Asks about other states and how much money is available in each category.
314	Jeff	Responds that she will provide the information but adds that there has been an increase in many of the categories. Remarks that a web page at <a href="http://www.fhwa.dot.gov">www.fhwa.dot.gov</a> will give members the information.

- 333 Chair Shannon Asks if the web page will give members information on how they can request federal highway funds.
- 347 Jeff Answers that funds earmarked for specific projects come out of the funds provided for the state within the formula.
- 351 Sen. Shannon Asks if the Oregon Legislature can bypass the Oregon congressional delegation.
- 364 Jeff Responds that 90-95 percent will continue to come to the state through the national formula that determines the total available funds. Notes that the formula is fixed for the next six years and the funds go to the agency designated for disbursement.
- 384 Sen. Yih Asks whether Oregon receives a full share.
- 392 Jeff Responds by outlining the history of highway funding. Notes that some states, due to size and population, would not be able to generate enough income to build, maintain, and operate the national highway system in their state.

**TAPE 39, A**

- 003 Jeff Remarks that TEA 21 guarantees that each state will receive at least 90.5 percent of the total contribution to the Highway Trust Fund. Adds that Oregon receives more revenue than it contributes.
- 021 Rep. Walker Asks how long Oregon has received more than it has contributed.
- 034 Jeff Responds she does not have the information, but notes that Oregon is part of a national system which benefits all states.

047	Rep. Walker	Asks about the 9.5 percent of the funds kept by the federal government.
054	Jeff	Answers that the federal government does not retain 9.5 percent and all the funds are distributed. Explains that 90.5 percent is a minimum guaranteed percentage that each state receives.
059	Sen. Castillo	Asks about the national formula and how the state can take advantage of federal matches for projects.
070	Jeff	Outlines the process for the disbursement of funds within the formula and emphasizes the necessity of the state, region, or city to develop a transportation plan.
114	Rep. Wells	Asks if the USDOT is doing a cost allocation study between heavy and light vehicles.
123	Jeff	Responds that USDOT has completed the Highway Cost Allocation Study and has concluded that a fair share is being paid by both types of vehicles.
129	Rep. Wells	Asks if they have a percentage of contributions from both types of vehicles.
132	Jeff	Answers that the study determined that there was a good balance with regard to the allocation of the costs.
146	Rep. Wells	Asks if it was just a study of what the federal government was collecting in taxes from these vehicles.
154	Jeff	Answers that USDOT only studied what the federal government collected.

158	Rep. Wells	Asks about the issue of toll roads.
162	Jeff	Responds that the objective of TEA 21 was to move decision making down to the lowest level and provide tools for the development of local transportation systems. Adds that the federal government has granted the states permission to toll roads.
179	Rep. Wells	Asks how much the FHA has become involved in clean air initiatives.
186	Jeff	Responds that the federal government is involved because of specific requirements under the Clean Air Act Amendments of 1990.
198	Sen. Dukes	Asks about Portland applying for federal funds for a congestion pricing study and being told by the federal government that the study would not be funded unless a toll project was included.
211	Jeff	Answers that the federal government is not mandating tolling.
224	Sen. George	Asks whether a state or city would be allowed to toll highways.
232	Jeff	Responds that a local entity cannot toll the federal highway system but may toll other roads. Reiterates that the federal government is not mandating tolls.
249	Sen. George	Asks if new start dollars are available under TEA 21 to provide funds for a demonstration project.
259	Jeff	Answers that the available dollars are insufficient to fund a demonstration project.
268	Sen. George	Relates the hazardous situation on Highway 20 and whether a safety issue would

create a higher level of priority.

- 285        Jeff                    Responds that priorities are determined locally.
- 289        Sen. George                Asks about the diesel tax.
- 298        Jeff                        Responds that the diesel tax is part of the fuel tax and varies by state.
- 306        Sen. George                Asks about the ratio for cost responsibility of cars versus heavy trucks.
- 310        Jeff                        Responds that she does not have the information and will provide a copy of the cost allocation study at a later date. Adds that the information is available at the web site.
- 315        Sen. George                Asks if mass transit funds can be assigned to road maintenance.
- 333        Jeff                        Answers that funds for mass transit are specifically assigned to the mass transit system.
- 343        Sen. George                Notes that the Oregon Automobile Association (AAA) reports that Oregon receives approximately \$150 million in transit funds and asks if there is another source of funds for transit.
- 349        Jeff                        Notes that states receive money from the general treasury. Adds that she is not aware of how much money Oregon is receiving but the figures are available at [www.dot.gov.com](http://www.dot.gov.com).



363 Chair Shannon Asks how much of the transportation trust fund is being retained to pay down the national debt.

369 Jeff Responds that the federal government developed a new formula that resulted in a total of \$198 billion for programs funded under TEA 21. Notes that there are no funds reserved within the transportation trust fund for paying down the national debt. Emphasizes that one in seven jobs in America is transportation-related.

**TAPE 38, B**

005 Chair Shannon Asks about the funds being held in the trust fund and discusses with Jeff the amounts allocated for roads, research and development. Inquires about a news release concerning toll roads in Oregon and whether it is legal to toll existing roads.

026 Jeff Reiterates that local governments have permission to toll roads.

031 Sen. Castillo Asks about high speed rail corridors.

036 Jeff Responds that funding is provided from the general treasury for high speed rail corridors, but does not know the total number of designated corridors.

048 Sen. Yih Asks if there is funding available to assist rural areas.

054 Jeff Reiterates that the funding mechanism is designed for local decision making and that there are no dedicated highway funds for rural areas.

064 Rep. Walker Asks if any funds are earmarked for senior transportation services.

070 Jeff Responds that she is not sure.

074	Sen. Castillo	Inquires if there is a national trend in the national views of transportation.
082	Jeff	Answers that there is a recognition that no single mode of transportation will solve all of our national transportation needs.
098	Sen. Dukes	Asks about earmarked projects providing only 90 percent of the funds.
114	Jeff	Responds that was a congressional decision and the 10 percent is used to reduce the national deficit.
128	Rep. Wells	Asks about the condition of the national highway system and whether funds exist to keep the system in good condition.
132	Jeff	Answers that the highway system was built for an expected lifespan of 25 years which has, obviously, been exceeded. Adds that the budget for reconstruction and rehabilitation is unprecedented, but inadequate.
157	Rep. Wells	Asks about the process to expand the national highway system.
161	Jeff	Responds that the total mileage in each state is assigned and a state can only add mileage to the national highway system by taking mileage away from the existing system within the state.
174	Chair Shannon	Asks how a state legislature can improve the efficiency of state and local highway agencies and get funding for projects.
186	Jeff	Responds that safety is the number one priority. Adds that safety is a combination

of education, enforcement, and engineering. Emphasizes that the nation is not going to build its way out of congestion.

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| 231 | Jeff          | Notes that the key is to apply limited resources to make the greatest impact. Adds that, in the last 12 months, there have been no deaths associated with American domestic air carriers, railroad crossing accidents have been cut by 50 percent, and overall traffic accident rates have been reduced. |
| 277 | Jeff          | Concludes that the objective is to maintain a safe, productive and environmentally sensitive transportation system.  |
| 301 | Chair Shannon | Adjourns meeting at 4:22 p.m.  |

Submitted By, Reviewed By,

Gary Roulier, Jim Stembridge,  
Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A Ò Federal Highway Administration Funding, biography, Gloria Jeff, 3 pp**