



CRS Issue Statement on Surface Transportation

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Highway and transit program finance, transportation demand, system congestion, the physical condition of the nation's surface transportation infrastructure, highway safety, and transportation's effects on the environment are likely to be key issues under congressional consideration in the 111th Congress. Since the expiration of the current long-term authorization of surface transportation programs at the end of FY2009, Congress has enacted several short-term extensions of highway and transit programs. Due to the complicating effects of an end-of-FY2009 rescission, however, contract authority for highway programs is now being provided at a level about one-third lower than in FY2009. This lower level of highway funding authorization is mitigated to some extent by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), which appropriated nearly \$50 billion for transportation projects. With consideration of the long term surface transportation reauthorization bill, programs and funding are likely to remain prominent. Issues under active consideration include the possibility of more funding for transportation infrastructure from a second economic recovery bill, attempts to repeal the rescission of highway contract authority, and problems with the Highway Trust Fund.

The faltering Highway Trust Fund (HTF) has thrust the finance issue to the forefront in surface transportation policy debates. An \$8 billion infusion from the general fund of the U.S. Treasury to the Highway Account was necessary in September 2008 and another \$7 billion infusion was necessary in August 2009. Based on current spending rates the Mass Transit Account is expected to have problems by FY2012. Almost all federal highway funds and approximately 80% of federal transit funds were derived from the Highway Trust Fund, which relies on a federal fuels tax and other vehicle-related taxes. Although the short-term problems of the highway account may once again be an issue before the end of FY2010, the debate is likely to focus on longer-term measures in the context of the size and shape of the federal role in transportation. Options include reducing and refocusing the federal highway and transit programs, increasing the federal fuels tax, establishing a new tax, such as a carbon tax, more vigorous support for highway user tolling, and greater private sector involvement in infrastructure provision through public-private partnerships.

Related to the financing issues, Congress may also consider the operational performance and physical condition of the nation's surface transportation system. Growing transportation demand and transportation congestion may stimulate significant debate about the level, type, and location of future federal infrastructure investments. As part of that debate, Congress may consider the state-by-state distribution of money into and out of the Highway Account of the Highway Trust Fund, the basis of the so-called "donor-donee issue." With an ongoing reliance on Treasury general fund payments to support the Highway Account of the HTF, general fund "donor" states may contend that their general fund donor status also be taken into account. Moreover, Congress is likely to consider its options in the physical upkeep of the current highway and transit systems, an issue that gained visibility in the wake of the collapse of the I-35W bridge in Minneapolis, Minnesota in August 2007. In terms of the bridge program, some of the options that may be debated are levels of spending and financing mechanisms, program operation, particularly program funding flexibility, and federal bridge inspection standards. In addition to discussing spending levels in the debates on the transit program, Congress may also deliberate on the extent to which its focus should be on helping to rehabilitate existing transit services, particularly the older and heavily used rail systems, versus its support for building major new capacity.

Another surface transportation policy area of continual interest to Congress is safety. Although major improvements have been made since the 1970s, more than 35,000 people die on the nation's roads each year and many more are injured. Although the specific issue areas that may be of interest are not yet evident, they typically involve the level of federal funding for infrastructure

improvements and other safety initiatives, such as programs to encourage seat belt use and discourage impaired-driving, the use of penalties on states that fail to adopt certain traffic safety laws, and motor carrier safety initiatives. One issue of particular relevance at the moment is distracted driving, particularly the use by drivers of hand-held electronic devices. Due to several fatal subway system crashes and incidents, most notably one in the Washington, DC, metropolitan area, another issue receiving attention in Congress is rail transit safety. Congress may consider changes to the existing structure of transit safety responsibility and oversight.

Transportation's effect on the environment is another policy area that often generates considerable debate. In particular, Congress may consider conformity of transportation plans with the Clean Air Act, environmental review of transportation projects under the National Environmental Policy Act (NEPA), and review of the effects of transportation projects on public parks, refuges, and historic sites (known as Section 4(f) requirements). One major policy question is whether regulations for protecting the natural and human environments are making it unnecessarily costly and time-consuming for implementing major improvements to transportation infrastructure.

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