

## **2. Policy Position**

### **Equitable Allocation of Federal Highway Funds**

#### **BACKGROUND**

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 expires in 1997. According to 1995 Federal Highway Administration (FHWA) reports, 14 of the 16 Southern Legislative Conference states consistently receive back a lower percentage of federal highway funding than their percentage share of payments into the Highway Trust Fund.

It is critical that future Federal Highway Authorization Acts update the antiquated federal funding distribution formulae to make them more equitable to the Southern Legislative Conference states than the formula used in the past.

In addition, adequate support for the National Highway System is necessary to provide consistent mobility and economic benefits for all states and the nation as a whole, and because an efficient intermodal transportation system is critical to competing successfully in the global marketplace.

An unencumbered transportation program is needed to provide flexible funding to allow all states to respond to their specific state and local needs without the current, unnecessary federal restrictions. Additionally, there is a national interest to ensure an adequate level of resources for highways in low population, large land area states as well as low population, small land area states to provide nationwide continuity in the road systems that is urgently needed for passenger and freight movement.

#### **RECOMMENDATION**

The Southern Legislative Conference of The Council of State Governments urges the U.S. Congress to enact, prior to the expiration of ISTEA, legislation to reauthorize the Federal surface transportation program that will significantly improve equity in the formulae, maximize flexibility for the states and provide adequate support for the National Highway System.

Further, the Southern Legislative Conference requests that copies of this policy position be dispatched to the House Transportation and Infrastructure Committee, the Senate Environment and Public Works Committee, and the members of the U.S. House and the U.S. Senate.

Adopted by the Southern Legislative Conference, Nashville, Tennessee, August 12, 1996.