POLICY PROPOSALS FROM MEMBERS OF CONGRESS TO REFORM THE NATION'S SURFACE TRANSPORTATION PROGRAMS

(112–21)

HEARING

BEFORE THE

SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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April 1, 2011

MEMORANDUM

TO:	Members of the Subcommittee on Highways and Transit
FROM:	Subcommittee on Highways and Transit Staff
SUBJECT:	Hearing on "Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs."

PURPOSE

The Subcommittee on Highways and Transit will meet on Tuesday, April 5, 2011, at 10:00 a.m. in Room 2167 of the Rayburn House Office Building to receive testimony related to the reauthorization of the Federal surface transportation programs. This hearing is part of the Committee's effort to reauthorize Federal surface transportation programs under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). These programs expired on September 30, 2009, but have been extended through September 30, 2011. The Subcommittee will receive testimony from Members of Congress on their policy proposals to reform and improve the Federal highway, transit, and highway safety programs.

BACKGROUND

Current Authorization

SAFETEA-LU, enacted in August of 2005, reauthorized Federal surface transportation programs through September 30, 2009. A series of extensions of SAFETEA-LU were enacted to continue funding authority under SAFETEA-LU program structures. The latest extension, the Surface Transportation Extension Act of 2011 (Public Law 112-5), extended these programs through September 30, 2011.

Highway Trust Fund Solvency

Federal surface transportation programs are funded out of the Highway Trust Fund (HTF), which receives over 90 percent of its revenues from the Federal excise tax on gasoline and diesel fuel. The current Federal excise tax on gasoline is 18.4 cents per gallon, 15.44 cents is deposited into the Highway Account, 2.86 cents is deposited into the Mass Transit Account, and

0.1 cent is deposited into the Leaking Underground Storage Tank Trust Fund. Of the 24.4 cents per gallon Federal excise tax on diesel, 21.44 cents is deposited into the Highway Account, 2.86 cents is deposited into the Mass Transit Account, and 0.1 cent is deposited into the Leaking Underground Storage Tank Trust Fund. The latest data show the HTF receipts totaled $35 billion in FY 2010, with $30.1 billion deposited into the Highway Account, and $4.8 billion into the Mass Transit Account.

The cash balance in the Highway Account of the HTF has fallen steadily. The Highway Account had a balance of $22.55 billion at the end of FY 2000. The balance had dropped to $13 billion by the expiration of TEA 21—the previous six-year surface transportation authorization—at the end of FY 2003. In September 2008, the balance in the Highway Account decreased to a level requiring Congress to transfer $8 billion into the HTF from the General Fund. Subsequent General Fund transfers to the HTF in 2009 and 2010 totaled $26.5 billion. Current projections show the cash balance in the Highway Account of the HTF will be depleted sometime in 2013 and the Mass Transit Account will be depleted sometime in 2014.

Innovative Financing

Revenue deposited into the HTF is not keeping up with our highway and transit infrastructure needs. Distinct from the sources of funding, transportation financing tools are used to leverage transportation funding and revenue sources, allowing transportation agencies to raise the resources needed to build projects and expedite the implementation of surface transportation improvements. These financing tools are used to expand upon the existing funding sources. Innovative financing is a broadly defined term that encompasses a combination of specially designed techniques that supplement traditional surface transportation funding and financing methods.

Innovative financing tools and private investment in financing surface transportation projects are methods that the Committee will explore to help the Federal government and states find ways to do more with less and better leverage existing revenue sources. States and localities already using innovative techniques to finance projects, including bonding, loan programs and public private partnerships, can serve as a guide for the Federal role in innovative financing.

Project Delivery

Time delays and inefficiencies in project delivery not only postpone needed improvements in our nation's transportation infrastructure but also result in increases in the cost of projects. According to the American Association of State Highway and Transportation Officials, major highway and transit projects today can take ten to 15 years from the beginning planning stages to completion of construction—with up to six of those years for the environmental review process. As the reauthorization of the Federal surface transportation programs moves forward, the Committee will look at potential reforms to the project delivery process. The Committee will determine what improvements can be made to existing rules and regulations governing project delivery in order to expedite the delivery process for all projects and reduce the cost of transportation projects.

Programmatic Reform

The U.S. Department of Transportation currently administers more than 100 highway, transit, and highway safety programs. Many of these programs serve similar purposes and several of them might not be necessary any longer because the nature of our transportation system has changed over time. During reauthorization of the surface transportation programs, the Committee will review whether or not programs serve duplicative purposes or are no longer needed, and will take steps to consolidate or eliminate those programs.

Performance Standards

Currently, Federal surface transportation programs lack performance metrics and accountability. There are no requirements for State DOTs, localities, or public transit agencies to develop transportation plans with specific performance objectives. The Committee will study performance management approaches that increase the transparency and accountability of how Federal surface transportation funds are used.

MEMBERS OF CONGRESS

A list of Members testifying before the Subcommittee will be released on April 4, 2011.

POLICY PROPOSALS FROM MEMBERS OF CONGRESS TO REFORM THE NATION'S SURFACE TRANSPORTATION PROGRAMS

TUESDAY, APRIL 5, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:00 a.m. in Room 2167, Rayburn House Office Building, Hon. John J. Duncan, Jr., (Chairman of the subcommittee) presiding.

Mr. DUNCAN. All right. We will call the hearing to order today. The subcommittee is convening a hearing to receive testimony from various Members of Congress on their policy proposals for the reauthorization of the Federal surface transportation programs.

I ask unanimous consent that members of the Committee on Transportation and Infrastructure who are not on the Subcommittee on Highways and Transit be permitted to sit with the subcommittee at today's hearing, offer testimony, and ask questions. Is there any objection?

[No response.]

Mr. DUNCAN. Hearing no objection, it is so ordered.

Chairman Mica and I have gone around and held various field hearings around the country in regard to the highway bill. And then last week we heard testimony from over 40 different transportation organizations and associations. The subcommittee is in the process of reviewing the information provided during last week's hearings, and many of the innovative ideas put forward may become part of the surface transportation reauthorization bill.

Today we will hear reauthorization policy proposals from Members of Congress. Several Members have introduced individual bills that make changes to the Federal highway, transit, or highway safety programs. This hearing will provide Members the opportunity to advocate for the reforms and improvements they are proposing in those bills, and proposing for their districts.

This reauthorization of the highway, transit, and highway safety programs will be more challenging than any other in recent memory. Fiscal constraints will cause us to be more creative and find ways to do more with less. The committee will consider proposals to better leverage our highway trust fund dollars through loan and bonding programs and public-private partnerships.

I also hope to hear ideas from Members on how to speed up the project delivery process. Time delays and inefficiencies in project delivery not only postpone needed improvements in our Nation's transportation and infrastructure, but also result in increases in the cost of projects.

Additionally, the committee is seeking proposals on how to reduce the number of Federal surface transportation programs. Today there are more than 100 highway, transit, and highway safety programs. Many of these programs are duplicative or no longer serve a national need. I know there will be several proposals today to create new programs, but before we create new programs we must perform a thorough review of the existing programs, and eliminate the programs that are no longer needed, or that we can no longer afford.

I look forward to working with Chairman Mica and Ranking Members Rahall and DeFazio on improving and reforming the Federal surface transportation programs. And with that, as soon as he has a chance to catch his breath, we will hear from the ranking member, any statement that he wishes to make at this time.

Mr. DEFAZIO. Well, thank you, Mr. Chairman, for the continuing discussion of the authorization of the Surface Transportation Act. I look forward to the testimony and hope that some of our colleagues can give us some solutions to the problem which confronts us: a deteriorating infrastructure which has vaulted us from First World status to what I call Fourth World—that is, worse than Third World—in terms of the percent of our GDP that we are investing and the rapidity of the disintegration of the system.

Given the rules adopted by the Republicans, we are not allowed to talk about new revenues. And if we live within existing revenues without some creative sort of financing, we will see the rate of deterioration accelerate. So I hope our colleagues have some good ideas. Thank you, Mr. Chairman.

Mr. DUNCAN. All right. Thank you very much. We will now hear from any Members who wish to make opening statements. And first we will call on the vice chairman of the subcommittee, a gentleman from New York, Mr. Hanna.

Mr. HANNA. Thank you, Mr. Chairman. I was pleased that this subcommittee was able to hold a listening session in my district earlier this month. It sent a strong message that we went directly to our constituents, as well as consulting with industry groups and other stakeholders down here in Washington.

This bill is about our constituency, mobility and transportation needs of their communities, which they know best. I would like to reiterate a common theme that I have heard from my folks in my district throughout the discussion. New York is unique in many ways, and our infrastructure challenges vary from region to region.

However, too often, small communities are left out of the planning process, and given little or no input with the State DOTs regarding project funding. Urban areas with high populations receive special sub-allowances and metropolitan regions with 50,000 or more people are represented at a State level by metropolitan planning organizations, MPOs.

However, small rural communities like I represent are left to fend for themselves amongst very stiff competition. If metropolitan areas are given a say in where their Federal transportation dollars are spent, we should provide smaller rural communities with that same input.

I look forward to working with my colleagues on the committee to include language in the reauthorization that gives local governments a seat at the table. While some States have voluntarily included regional planning groups in the process, many, including New York, have not.

I ask that our 6-year bill incorporate language that accomplishes the following: allow for the creation of regional planning organizations to provide formal input in the State level planning process; direct these organizations to cooperate, not just consult, with their State DOTs, to put them at a par with their counterparts at MPOs; recognize at the Federal level these planning organizations to reinforce the role in the planning process; provide these organizations with a formal structure and delineated responsibilities to match those of MPOs.

Rural communities face stiff competition for limited Federal transportation dollars. And I look forward to working with the committee to ensure local governments get a fair seat at the table.

Thank you, Mr. Chairman. I yield back.

Mr. DUNCAN. Thank you very much, Mr. Hanna. The first Member here on the minority side is Mr. Walz.

Mr. WALZ. Thank you, Mr. Chairman, Ranking Member, and thank you, Mrs. Napolitano. Everyone in this room—this is one of those rare opportunities where we have business and labor together, a very popular topic out in my district of moving forward on a surface transportation bill, understanding that it won't only create short-term jobs, it puts us back to compete economically in the long term, whether that is moving farm produce out of Minnesota or in New York.

I would like to associate myself with the gentleman from New York's remarks, Mr. Hanna, the vice chair. This idea of a regional transportation planning organization is a better and more efficient use of our dollars. It does not add extra bureaucracy to it, but it does give the voice that the gentleman was speaking of to our rural communities, making sure that we are connecting parts of this country in the most efficient manner.

In the previous Congress, I had introduced 2782 that did exactly that. This piece of legislation gained great bipartisan support. I certainly think that is the way to go. I think it allows for that voice to be there, and does the things exactly as the gentleman said, allows for more local control, which I think is—in this piece of legislation, is right.

Secondly, I would like to speak just for a moment on trying to streamline and uniform some of our policies on—truck weights is an issue and a particular interest of mine that I think we can get some uniform ability to get those weights where they are manageable. We pay for them, they are not doing—and we do the research necessary to make sure that bridge harmonics and everything are taken into consideration.

The problem that I have is our limit is 80,000 in Minnesota. North Dakota is 105,000. South Dakota, on the other side of my district, is 129,000. Canada is 100,000. What we would like to see is an opt in on this to allow for the higher weight. State of Minnesota's Department of Transportation has agreed with this, and certainly think that is the way to go.

So, we have got a great opportunity in this committee, bipartisan-wise, to agree on this is an issue that is clearly delineated in the Constitution for us providing for the post roads and the infrastructure of this country. It is a smart use of resources. I thank the chairman for getting out there, holding these hearings, listening to the American public. And I look forward to getting this thing done. And I yield back.

Mr. DUNCAN. Well, thank you very much, Mr. Walz. Next on our side is Mr. Southerland.

Mr. SOUTHERLAND. Mr. Chairman, I have no comments. Thank you.

Mr. DUNCAN. All right. Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chair. And thank you, Ranking Member DeFazio. There was a hearing in Los Angeles with Chairman Mica and Senator Boxer not too long ago on transportation. We very much appreciate that.

We must produce a very robust transportation highway trust bill. It is a major economic recovery tool, creates jobs, provides congestion relief, gets the goods to market, and gets people to work faster. All committee members have agreed to $550 billion last year. It is supported by the Chamber, by business, by unions, by highway and transit officials. It would increase safety, improve public transit, reduce congestion, and reduce the freight impact on communities, especially mine.

Strongly support the inclusion of a metropolitan mobility program that should address major bottlenecks in urban corridors, especially on I–5 in my district, the Santa Ana Freeway, one of the most congested freeways in the United States, with 25,000 trucks per day, and of course, our Alameda Corridor East, the 54 crossings that cause delays through the eastern Los Angeles, and slows delivery to—for on-time delivery to the rest of the Nation.

We must include a program to deal with urban congestion, as well as freight improvement program—the dedicated source of funding to address the effects of freight movement on communities and improve that mobility.

The freight movement from the ports Los Angeles and Long Beach do impact my district. And it is burdened with traffic delays on the freeways and at crossings. The air quality for diesel-spewing engines, the noise from the whistle on the rail cars are safety concerns on roadways and, of course, partly the road rage. We must provide funding for grade separations and cleaner truck programs to mitigate problems caused by freight, especially in those areas that have high concentration of these movements.

There are 54 crossings in—as I said, in my area, and only—not even half are funded. Must increase funding for transit to keep cars off the road, especially mass transit. Buses and cars do get held up on freeways, just like everybody else. But mass transit would be very, very much an improvement in Los Angeles.

And we must provide some incentives. One of the things that we have talked about are the grants, the TIFIA, improvement of the Transportation Infrastructure Finance and Innovation Act. The lowest interest bonds, such as Build America bonds, we—in that area I am looking for information on how we can provide any of the transit companies looking for assistance from the Federal Government, how to produce a private-public partnership, so that they may be able to move faster on these projects.

The bill should streamline the environment and review program. California is the only State to participate in the surface transportation project's delivery pilot program authorized in SAFETEA–LU. It gives States stringent environmental review standards, and the ability to easily certify the NEPA and CEQA, once they have obtained their State's environmental certification. Programs very successful in streamlining the environmental review and speeding up project delivery for highway projects, and we need to expand this program to transit and other transportation projects. They should not have to do the work twice.

Mr. Chairman, I ask unanimous consent to include materials submitted by Caltrans director Cindy McKim and Los Angeles Metropolitan Transit Authority director Art Leahy, with their public policy recommendations for the bill.

Thank you both, and I yield back the balance of my time.

Mr. DUNCAN. Thank you very much. Is there any objection to attaching any statements that any Member wishes to do so?

[No response.]

Mr. DUNCAN. Hearing no objection, any statements or materials that the Members wish to attach to their opening statements will be included in the record.

[The information follows:]

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Flex your power!
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March 9, 2011

The Honorable Barbara Boxer
Chair, Committee on Environment
and Public Works
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

The Honorable John Mica
Chair, Committee on Transportation
and Infrastructure
United States Congress
2187 Rayburn House Office Building
Washington, D.C. 20515

Thank you for the opportunity to appear before the Joint Hearing of your committees on February 23, where I spoke about the transportation issues California is facing and ways we can work together to address them. You extended the hearing record to March 9 and asked for legislative proposals for the next authorization of the highway bill. Accordingly, we have prepared specific recommendations in the following areas:

- Ensure the financial integrity of the Highway and Transit Trust Funds.
- Rebuild and maintain our transportation infrastructure.
- Make goods movement a national priority.
- Reduce congestion in metropolitan areas.
- Streamline project delivery and extend California's NEPA delegation.
- Consolidate federal programs.

As you can see from the attached recommendations, we took your request seriously. As an example, we consider it essential that the federal delegation of NEPA authority to California be made permanent. In lieu of proposing additional revenue generating mechanisms such as indexing the gas tax, we have made recommendations for flexible and alternative funding.

My staff and I are available to respond to any questions you may have on these recommendations. Please contact Mr. Brad Mettam at the above address, by telephone at (916) 654-2936 or by email at brad.mettam@dot.ca.gov.

Sincerely,

FOR CINDY McKIM
Director

Enclosure

The Honorable Barbara Boxer and The Honorable John Mica
March 9, 2011
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c: Senator Dianne Feinstein
Secretary Ray LaHood, U.S. Department of Transportation
Victor Mendez, Federal Highway Administration
Walter C. Waidelich Jr., Federal Highway Administration
John Horsley, American Association of State Highway and Transportation Officials

Recommendations for the Surface Transportation Reauthorization Bill

Caltrans

Ensure the financial integrity of the Highway and Transit Trust Funds

Proposed Change	*Examples of how this would be of use..*
Increase the amount available under the TIFIA program.	The TIFIA program has provided loan guarantees to a limited number of projects, restricted primarily by the cap on the amount available.
Allow privatization of Safety Roadside Rest Areas, Park and Ride lots, and other facilities.	Public-private partnerships are needed to help deliver essential services to the traveling public.
Provide federal authority to impose tolling as a revenue stream.	States need every available revenue source to leverage state and federal funds for capacity increasing projects and other purposes.
Authorize a bond funding program, similar to *Build America Bonds (BABs).*	BABs provide states with an option to access the corporate taxable bond market, which is broader and deeper than the tax-exempt market.

Rebuild and maintain our transportation infrastructure

Proposed Change	*Examples of how this would be of use..*
Make some or all additional "stimulus" funding "ministerial" rather than "discretionary", eliminating the need to comply with NEPA and other requirements.	This would allow the rapid construction funding of existing state and local projects without having to go through federal processes. Projects would still have to comply with state and local requirements, and all health and resource protection Federal requirements, such as the Clean Water Act and the Endangered Species Act.

Make goods movement a national priority

Proposed Change	*Examples of how this would be of use..*
Incorporate a measurement of each state's contribution to national goods movement goals as part of the federal distribution formula.	Goods movement on highways in states that act as primary goods movement conduits contributes significantly to the deterioration of the highways and the congestion around ports of entry. These states provide a service to the national economy at a cost in facility maintenance, repair, and replacement.
Develop competitive fund for high-priority national goods movement projects.	Existing funding mechanisms need to be revised to reflect the significance of freight movement on a national basis. Project improvements for goods movement have a positive impact on the corridor being improved as well as on a system wide basis. This would provide a mechanism to ensure that freight projects receive a higher priority and funding levels that would enhance the movement of people, goods, information and services. A national formula could

	be developed for programming projects and receiving resources from multiple funding sources, i.e., Priority Index Number and utilize consistent cost/benefit criteria.
Include port planning in the current criteria for existing planning grants to allow for funding of Port-to-Corridor Management Plans (P2CMPs).	The funding of P2CMPs will allow local, state, federal and private sectors to coordinate and develop these plans to identify and fund projects along these P2CMPs to deliver projects, similar to California's CSMPs. In California, the four main P2CMPs are Los Angeles-Long Beach/Inland Empire, Bay Area, San Diego/Border and the Central Valley.

Reduce congestion in metropolitan areas

Proposed Change	*Examples of how this would be of use..*
Provide incentives for metropolitan congestion pricing.	Encourage the application of congestion pricing in the nation's most congested metropolitan areas by providing funding incentives.
Change 23 USC 135 Section 135(d)(1)(E) to add to this planning factor "the integration of land use and transportation, including consistency with development patterns."	This would allow states and regions more flexibility to support and provide incentives for integrated land use, transportation and housing planning that utilize the latest travel forecast data, along with the latest modeling tools, and that identify alternative/preferred scenarios that reduce congestion within and between metropolitan areas. The State of California has implemented its statewide California Interregional Blueprint, and six of the 25 largest metropolitan areas in the nation have participated in Regional Blueprint Planning efforts that consider land use and transportation while evaluating travel within and between metropolitan areas. These Blueprint programs promote the linking of transportation, land use and housing through the development of visions for future growth based on the latest modeling tools that identify alternative/preferred scenarios that reduce congestion within and between metropolitan areas.

Streamline project delivery and extend California's NEPA delegation

Proposed Change	*Examples of how this would be of use..*
Allow states to have permanent NEPA delegation after successful completion of pilot program and include Section 6005 Air Quality Conformity Determinations.	This would allow California, and other states in the future, to assume permanent NEPA delegation. It would permanently remove redundant reviews by both Federal Highways Administration and Caltrans. FHWA retained Air Quality Determinations under SAFETEA-LU Section 6005, but not under Section 6004. Further delegation of Air Quality Conformity determinations streamline approval of documents under Section 6005.
Allow the use of the TEA conformity exemption	The law and EPA's conformity regulations currently exempt

for historic railroad structures.	most TEA projects from conformity requirements, but explicitly prohibit use of the exemption for TEA projects affecting historic railroad structures. Historic issues with railroad structures should be dealt with through the standard 106 and 4(f) processes, and not through a conformity exemption, unless the project would in fact not be neutral for air quality purposes.
Make TEA more flexible.	Expand the TEA category for wildlife passage to include fish passage.
If a proposed project is included in the air quality conformity determination for a Regional Transportation Plan, no further action should be required to meet the requirements of the Clean Air Act of 1990.	Regional Metropolitan Planning Organizations are required to provide analysis on air quality conformity as part of the approval process for their Regional Transportation Plan. Because air quality conformity is best addressed at regional levels, it is a duplication of effort and ineffective for projects to require additional conformity determinations.
Allow NEPA approval if the final quality conformity determination is made before project construction.	This would allow final design to continue while additional conformity requirements are completed. Since final approval for construction could not occur during a lapse, this change would not result in any actual impacts to air quality conformity.
Remove funding plan barriers to NEPA approval.	Allow projects to continue through NEPA approval even if a Long Range Plan is temporarily no longer financially constrained due to the current volatile economic situation. This could be done by allowing NEPA approvals while Long Range Plans are being amended, as long as the project is proposed to remain in the amended Plan. This would avoid the delays in project delivery when world or national economic situations temporarily affect transportation funding.
Allow a state's environmental document to be adopted by the federal lead agency for purposes of NEPA compliance, if a state's environmental review has been completed prior to federalization of a proposed project.	The State of California has implemented legislation that duplicates NEPA and applies even more stringent requirements, i.e., CEQA defines a significant impact as one for which a "fair argument" can be made. Other states have similar state environmental laws. Allowing the federal lead to adopt the "mini-NEPA" document rather than preparing and approving a separate NEPA document would avoid duplication of effort. The adoption could be similar in form to a re-evaluation and would not require public circulation.
New projects located within an area which had previously completed NEPA clearances should be exempt from further NEPA and associated federal environmental legislation reviews, if no new right-of-way is required for the construction of these projects.	If a state DOT purchased right-of-way under federal authorization, new projects located within that right-of-way should not result in additional impacts to the environment. For example, if a DOT purchased a new freeway alignment with a 100 foot median, then decided to widen in the median, it would not be required to mitigate again for "habitat" if endangered species utilized that land in the future. This would include making existing right-of-way exempt

	from consideration as "habitat" under the Endangered Species Act. Currently, endangered species such as San Joaquin Kit Fox, Desert Tortoise, and Tipton Kangaroo Rats often utilize the medians and shoulders of busy highways as foraging habitat. While this habitat is marginal at best, the law as currently interpreted requires that agencies purchase replacement habitat for these impacts. This modification would hold agencies free from retribution for incidental harm caused by routine maintenance and construction within existing right-of-way.
Allow at-risk detailed design prior to NEPA completion	During the NEPA process, a Preferred Alternative may be identified in the Draft Environmental Impact Statement (EIS). Current federal regulations do not allow the use of federal funds to begin "detailed design" prior to the Record of Decision, which results in unnecessary delay in the project delivery process. Section 6002 of SAFETEA-LU, Efficient Environmental Reviews for Project Decision Making, provided some relief from these restrictions, but it still limits design to only those elements that relate to environmental issues, environmental mitigation, or environmental permits. Flexibility is needed so that the state DOTs may continue to move forward with the project development process in a timely fashion using both federal and non-federal funding – at their own financial risk – prior to the finalization of the NEPA process.
Allow advanced right-of-way acquisition.	Advanced right-of-way acquisition is intended to provide for the preservation of corridors for future roadway expansion. Corridor preservation's goal is to minimize development in areas that are likely to be required to meet transportation needs in the future. Current federal environmental restrictions make it extremely difficult to identify and preserve transportation corridors for the future. Corridors must be part of a fiscally-constrained Long-Range Plan in order to use corridor preservation funds. It is often difficult to get FHWA to participate in preparing an environmental document for a project that will be built 15 or 20 years in the future. Most of the right-of-way acquired now is for widening or expansion projects on existing facilities, as opposed to projects on new alignments. In these cases, the decision regarding the location of the transportation improvement has already been made – thus, there is almost zero chance of biasing the NEPA process. Typically right-of-way acquisitions are "environmentally neutral" events – in other words, no damage is done to the environment as a result of simply purchasing a plot of land.
Eliminate or modify the Efficient Environmental Review Process that was established under Section 6002 of SAFETEA-LU.	SAFETEA-LU created a new Efficient Environmental Review Process (Section 6002). While the intent of the section to promote early coordination was admirable, the procedural

	requirements of Section 6002 are duplicative of already existing environmental processes. This duplication has lead to less efficiency and more confusion during the NEPA process. An alternate approach would be take make the Section 6002 process optional, rather than mandatory. If Section 6002 is kept, a subsection should be added to the process that bars a participating agency from raising substantive issues during the permitting process that it should have been aware of and raised during the NEPA process.
Establish a priority for infrastructure projects at federal permitting agencies that includes firm deadlines.	The acquiring of federal permits represents a significant component of the time required to deliver a project. This requires a significant investment of resources, and erodes the value of available funds. Federal agencies should be given a firm, limited time to provide permits, and an automatic appeal process for transportation infrastructure projects should be instituted when permit reviews exceed that time that is external to the permitting agency.
Allow program-level reimbursement ability for state's oversight of local agency projects.	The stewardship agreement between FHWA and Caltrans delegates certain oversight responsibilities of the local agencies from FHWA to Caltrans. The Stewardship agreement also states that some of these oversight responsibilities cannot be further delegated to local agencies in California. The oversight of these local agency projects cost over $35 million to California which is not reimbursed by FHWA. This is a cost that California can no longer afford. Since local programs have been identified by FHWA as a "high risk", the expectation on the oversight has only been increasing. FHWA acknowledges these costs to be eligible for reimbursement provided the cost is charged to individual projects. Since at any given time there are about 5000 locally administered projects, charging Caltrans' oversight to these projects is not feasible. We propose to allow states to collect reimbursements for oversight on a single project designated for oversight cost.
Revise the federal transparency reporting process.	Federal Funding Accountability and Transparency Act's Sub-award Reporting requires the state to report certain data after the end of each month on ALL federally funded projects. The California Department of Transportation (Caltrans) has completed three cycles of report. It has been burdensome and confusing at times to comply with this new federal reporting requirement. The data submitted has the potential to be incomplete or incorrect. We feel this reporting requirement can be met more efficiently if the sub-awardee information is included in FHWA's Financial Management Information System transactions. The states will report this data at the time of requesting authorization

	for projects (not after the authorization). This will ensure 100 percent completeness. The data received by FHWA will be uniform throughout the nation.
Properties under 100 years of age would be exempt from evaluation under Section 106 of the Historic Preservation Act.	As America ages and construction techniques improve, a greater number of properties will reach the current age of 50 years without major modifications. Continuation of this standard would significantly increase the time and expense for compliance with the Historic Preservation Act. By modifying the evaluation criteria from 50 to 100 years, you would move beyond an individual person's lifetime and into the realm of history. It would save both time and resources.
Eliminate duplicate evaluation of historic properties.	The law as currently written has duplication of effort. Historic properties are evaluated and protected under Section 106 of the Historic Preservation Act and require a redundant evaluation under Section 4(f) of the Department of Transportation Act.
Exempt routine maintenance and restoration projects from Section 106 of the Historic Preservation Act.	Projects which replace existing pavement (overlays, slab replacements) would be exempt from further analysis under Section 106 of the Historic Preservation Act. These projects result in minimal additional disturbance of "native soils." This modification would result in a reduction of time and effort on routine road maintenance.
States need the ability to do programmatic advance mitigation for natural resource impacts based on mutually approved modeling, rather than having to connect mitigation costs to already designated projects in federal plans.	By allowing states to develop and implement a statewide advance mitigation program, states could (a) reduce project delays, (b) reduce mitigation costs and (c) improve mitigation quality. Greater flexibility to do programmatic advance mitigation, rather than project specific, in the next authorization would facilitate this innovation.
Consolidate environmental mitigation negotiations.	Once NEPA is completed and a Biological Opinion issued by US Fish and Wildlife Service, any modifications to Endangered Species listings or refinements to project footprint would not require the issuance of a new Biological Opinion. FHWA or their designee via delegation would provide USFWS with an administrative amendment which would include additional provisions to address any modifications to the project. USFWS would not be required to perform any action, other than acknowledgement of the amendment. Any projects changes which require a supplemental NEPA document would not apply to this provision.
	US Fish and Wildlife Service negotiates a specific mitigation ratio based upon the quality of impacted habitat. At the time the Biological Opinion is issued, less than 30 percent of design work is completed. Often minor refinements will result in changes within the area of impacts, i.e., originally it was 5 acres and now it is 6.5 acres. This change in area would require that formal consultation with USFWS be reopened and a formal amendment to the Biological

	Opinion issued. As the NEPA lead agency, it is appropriate for FHWA or its designee to prepare an administrative amendment which modifies the impact area and increases the mitigation required to reflect the ratios agreed in the original Biological Opinion. This would save time and effort at both agencies and solidify the agreements made during the NEPA process.
Man made water conveyance systems should be exempt from consideration as "waters of the U.S."	Currently canals and ditches can be considered as "waters of the U.S." under Section 404 of the Clean Water Act. Moving a concrete lined ditch could trigger the NEPA 404 process and result to greater impacts to historic and natural resource in an attempt to avoid impacts to these features. This change would reduce time and costs associated with project delivery.
Streamline the federal Transportation Improvement Program (TIP) Amendment process.	Current regulations require that many relatively minor changes to project cost, scope, or schedule require time consuming and paperwork-intensive amendments to the TIP. This can occur as a result of relatively minor changes to project limits (as little as over a tenth of a mile), or changes in project cost (regardless of the amount of change). Relaxing the requirements for amendments will greatly expedite revisions and save resources.
Change the period of the TIP/STIP from four years to five.	Current regulation requires the TIP/STIP to cover four years and be updated at least every four years (California updates every two years, to have a pool of programmed projects to draw on). If the period of the TIP/STIP were increased to five years, with an update at least every four years, it would cut in half the workload of Metropolitan Planning Organizations and states for updates.
Adopt provisions that allow projects that are funded through multiple federal programs to use only the rules, restrictions and reporting requirements of the largest contributing program.	Individual project funding packages are sometimes made up of several different sources; each applied to the portion of the project that is appropriate for that source. Each source has its own set of rules, schedules, restrictions and reporting requirements that quickly complicate project delivery.
Provide clarification under Section 4(f) of the Department of Transportation Act that for public properties to be considered as a 4(f) property under recreational use, the primary function of the property must be recreation. This modification would specifically apply to portions of State and National Parks and Forests which are not primarily used for recreational activities.	Currently school playgrounds are often determined to be 4(f) properties because they allow public recreational activities during non-school operation. The use of schools for "recreational" activities is secondary to their primary function, but because of this use impacts to parking lots and other school properties is often deemed a 4(f) impact. In addition to this, our National Parks are served by highway systems. Often minor maintenance work, including rehabilitation can result in 4(f) impacts even when the only impact may be realignment of an existing driveway.
Current environmental policy includes "No net loss to wetlands". Allow for enhancement to existing wetlands to be counted as "mitigation"	If a project impacts a wetland of marginal quality, current mitigation would include acquisition of "credits" at a bank which has created wetlands by expansion of existing

for impacts to wetlands.	systems, or involve creation/expansion of wetlands at another location. This proposal would expand the potential to include "enhancement" activities to count towards wetland impacts more explicity. If you impacted an acre of wetlands you could restore 5 acres of poor quality to good quality via a management plan. This process would help improve the overall quality of existing wetlands and encourage DOTs to adopt management programs which Army Corps of Engineers could approve to gain "credits" towards future impacts.
Broaden and extend the option to use warranties in highway construction contracts.	Currently, federal regulations allow for warranties to cover specific *products* or *features* of a construction project (such as the pavement), but are not allowed to cover an entire project. Recently, as part of changes made to federal regulations to accommodate design-build contracting, the warranties section of the Code of Federal Regulations was amended to allow "general project" warranties on design-build projects on the National Highway System, which covers all parts of a construction project. In addition, projects developed under a public-private agreement may include warranties that are appropriate for the term of the contract or agreement, which could be many years. These allowances have not been made for traditional design-bid-build projects, which are still restricted, as noted above, to specific products or features. While general project warranties will likely not be used on all traditional design-bid-build projects, their use could encourage innovation in construction processes or the products that are used since the potential for failure would be covered by the warranty. Finally, even the general project warranties allowed for design-build projects are permitted only for short periods of time, or as the regulations state, "generally one or two years." Unfortunately, one to two years is not typically long enough to determine if a roadway or bridge structure has been built correctly. A more appropriate minimum length of time for a warranty would be in the range of five to 10 years.
Allow federal funds to be used for mitigation banking/advanced mitigation.	For example, TEA shares could be used to fund advanced mitigation and projects could reimburse those funds when capital funds are available. This change would allow for expedited permitting under existing laws/regulations and would provide immediate relief without requiring any changes to federal funding levels.
Remove environmental and right-of-way requirements for any Non-infrastructure Projects.	For example, the Safe Routes to School (SRTS) Program consists of infrastructure and non-infrastructure (NI) programs, and both programs are currently delivered using the process for typical construction projects. However, the NI Program is a program that provides for the education,

	encouragement, enforcement, and evaluation of SRTS programs in local communities. These types of activities are non-construction work that should not require NEPA clearance or right-of-way certification as currently required. Delivery of the NI program can be streamlined by handling it similar to FHWA State Planning and Research, Partnership Planning and FTA State Planning and Research Grants which are discretionary grants awarded through a grant application solicitation process similar to the SRTS-NI Program.
For projects under $3 million, use a one component process for issuing authorization to proceed.	This change would provide authorization for preliminary engineering, right-of-way, and construction in a single action. Because this would only apply to small projects, it would expedite the process and allow the projects to move between phases easily.

Consolidate federal programs

Proposed Change	*Examples of how this would be of use..*
California supports the consolidation of existing Federal Surface Transportation Programs to focus on ten programs as recommended by the National Surface Transportation and Revenue Study Commission (Commission). We also support increased flexibility for project eligibility and funds transferability among the 10 programs and across different US DOT administrations using needs-based criteria.	There are currently 108 programs under five administrations. The Commission recommended consolidating into ten programs. Additional flexibility is also needed to allow projects under the 10 programs be funded to achieve national objectives. The current system, to "flex" funds, between the modal administrations is cumbersome and often results in project delay. This process should be streamlined, so that funds can immediately be used for projects meeting required criteria. More flexibility is also needed to transfer funds among the 10 programs.

Mr. DUNCAN. The next Member on our side is Mr. Gibbs. No statement? All right. Ms. Edwards?

Ms. EDWARDS. Thank you, Mr. Chairman. I appreciate this hearing, because I do think that when, as Democrats, we were in the majority and had the opportunity to move forward a reauthorization, I think that we didn't do service to the public in that, and that, you know, we look at transportation for a number of reasons: one, because we have transportation needs across this country that are unmet; we have challenges in moving projects through the approval process so that it stymies many projects that are worthy in the States; and because we want to improve commerce and create jobs.

So, I think it is important for us to be both courageous and bold to meet the Nation's infrastructure needs, to look at creative and unique ways of financing, so that we have some capacity not just to delivery projects for today, but to make sure that we are doing what we need to do to move forward for the future, because we are way behind in our infrastructure. We can see that when we look from this country to other Nations that are both emerging and developing, who seem to be investing by leaps and bounds over what we are investing to meet our infrastructure needs.

I represent a district that is here in the national capital region. We are home to a metro system, a metro-rail system, that services not just the people who live and work here in the capital region, one of the largest regions in the country, but also serves the Nation, serves the Nation in terms of facilitating Federal workers keeping our government moving—but the 20 million or so visitors who come from every region of this country and across the world, and who need a safe and reliable transit system to get around.

And so, how do we find a way of identifying and prioritizing the unique needs of our States and our districts, rather than just leaving everything to the discretion of any one administration, whether that administration is a Democratic administration or a Republic administration? I think each of us on this committee and in the Congress can attest to the fact of our ability to know and understand the unique needs of our districts and our States when it comes to transportation. We are closer to the ground, so to speak.

Projects such as those here in the metropolitan region, like the purple line that would wrap itself around the beltway in the national capital region are important, not just for my district, but also for freeing up the congestion and bottleneck along the I–95 corridor that serves the commerce needs of an entire eastern seaboard. And so, even though I might prioritize a project like this, it serves a broader public need.

I think here in this region, as in across the country, we have to have a commitment to mass transit for the purposes of facilitating our ability to have clean air for our children to breathe, and clean water, and for the ease of commerce.

And so, while I believe that it is good for us to get our work started—we are several months ahead of the next expiration of our authorization—I think it is important for us to get it right, and to make sure that, across the country, our States understand what our transportation priorities are, and they can get on with funding those long-term needs to match what happens at the Federal level.

I have talked with our governor and our department of transportation officials, and they are, in some ways, in a stalemate because they do not know what it is that we will make a commitment to at the Federal level. And so it makes it very difficult to plan for the long term at the State level.

And so, I—Mr. Chairman, I look forward to working with you, to working with our Members, to make sure that we are making the kinds of investments in transportation that will lead us to job creation toward greater economic success, and to make sure that we have a transportation system that meets our 21st-century goals. Thank you very much, and I yield.

Mr. DUNCAN. Thank you. Dr. Bucshon?

Dr. BUCSHON. Thank you. I want to thank the committee for the opportunity to discuss what I believe are the critical issues in transportation.

I come before you today to tell you the story of my home State of Indiana, and the advances that we have made in our infrastructure. Thanks to the leadership of Governor Mitch Daniels, in the past 5 years Indiana has repaired or built over 41 roadway projects that are open to traffic, repaired 588 bridges, and invested $5.7 billion in new construction and preservation projects. It is critical to note that the governor has done this without raising taxes on the people of Indiana.

In late 2005, Governor Daniels launched an aggressive 10-year, $12 billion transportation plan known as Major Moves, to significantly improve and expand Indiana's highway infrastructure. Governor Daniels and the Indiana General Assembly approved the lease of a toll road for 75 years to a private corporation, resulting in the State acquiring a $4 billion up-front payment that was put back into infrastructure projects in Indiana. This public-private partnership is funding road projects across Indiana, including expansion of Interstate 69 through my district in southwestern Indiana.

There are currently no interstate connections between Evansville and Indianapolis. The largest city in my district is Evansville, and the State capital is Indianapolis. Past governors have tried to get this done. In fact, Governor Evan Bayh in the late—in the 1990s even broke ground on the highway, but never had the money to complete the project. Governor Daniels has broken ground in 2008. And finally, our city of Evansville will be connected to the State capital.

While many members of this committee and in Congress have in past been critical of public-private partnerships, Indiana has proven that it can be successful. This $12 billion plan has provided thousands of transportation jobs in Indiana, and created new and safe roads in one of the most heavily traveled States in the country.

In 2005, Indiana labor unions worked with Governor Daniels on the original idea of Major Moves, and have continued to support this project.

While Indiana has been building roads rapidly, they still face many of the problems that others across the country have been facing. What I have heard from countless engineers, construction companies, and State employees is that, "Federal regulations and red tape are slowing us down." We are spending too much time making sure our paperwork is filled out correctly, and too much money on various permits that are needed to test ground for a potential new project. The regulations that we have put in place in Washington, DC, are hurting people in towns like Washington, Indiana, in my district.

Let me give you an egregious example on I–69. They had to hire a box turtle-sniffing dog that they had to import from Tennessee for long stretches of the road, to make sure that the box turtles were out of the way. Now, as I have nothing against box turtles, this is something that is an egregious regulatory thing that the Federal Government has put in place, and shows an example of how ridiculous that this can get.

We need to give back in whatever we do here in Washington, DC, more power to our States, and allow them to make decisions on what is best for their State. I would argue that none of us in this committee or in Congress knows what will work for each State better than the governor of the State and, more importantly, the citizens of our States. But yet we continue to put restrictions on what each State can do.

Indiana would be able to save an estimated $8 million a year if current Federal ban on rest park commercialization, for example, was taken away. It is good public policy, possibly, to have rest parks on the interstate system. But in a time when we have critical shortages in funding, we need to revisit what our priorities are.

As I have stated, Indiana has successfully completed public-private partnerships. They should be able to investigate doing this going forward. Denying States options by putting in onerous Federal regulations are inhibiting our States and our country from advancing.

I would implore us to create legislation going forward that cuts red tape, and we need to invest our money in ways that are working and quit investing money in an old system that is not working. Give our States more flexibility, give our citizens more flexibility. Create an environment where States and cities can actively pursue public-private partnerships like in Indiana going forward in this time where we need out-of-the-box thinking on funding our infrastructure, going forward.

Thank you, and I yield back the remainder of my time.

Mr. DUNCAN. Thank you, Dr. Bucshon. Mr. Boswell?

Mr. BOSWELL. Thank you, Mr. Chairman. I appreciate your leadership, and what you are doing here by getting us focused on what is going on.

Mr. Chairman, I—maybe you can help me out, Mr. Chairman, but I know a few years ago we sat in here and it was a Shuster-Oberstar or a Young-Oberstar, where we had quite a discussion, bipartisan discussion, about use tax. And we came to an agreement.

And as I recall—and correct me, if you need to—but I think we recessed for 2 or 3 days, and they went to the White House to see, if we labored through this like we had in this committee, would we get support. And then they called us back together, and I think we were sitting pretty close, they walked in the room. We saw that they did not have a smile on their face, and they said, "No, it would be vetoed." So we did not do it.

Meanwhile, we labor on and on and on. And I have a lot of hope. I have confidence. You got handed the keys to this committee in one hand, and a whole list of longstanding problems in the other. And we are falling behind. A lot of you have traveled. You know what is going on in China, you know what is going on in Europe. You know a lot of places. And our infrastructure is falling behind. And we cannot compete in that situation, whether it is road, rail, mass transit, the whole thing.

In my State, when I was in the legislature, and the old new governor is back—he was governor at that time, Governor Branstad—the last time we raised the fuel tax. But inflation alone has changed that to about $.15 short. And so, my farmers and manufacturers and contractors and everybody across—"Why are you waiting to do what is inevitable, we have to do?"

And I told them about the experience I am just sharing that we did here in this committee. And, you know, we were going to make that adjustment. And I believe we were going to index, if I remember, so we would not have to go through this turmoil and keep up with inflation.

So, I just wanted to give you encouragement, and work with you, and say, you know, I hope we do not just come up with another study. We have studied it to death. We need to do something. And I know you, I think what—you intend to do something. I am not sure what it is going to be yet. But we have got a challenge, and we cannot be competitive in this world economy if we do not take care of our infrastructure. That is just—whether it is farm-to-market, whatever it is, looking at Mr. Long down there, we understand if he cannot get the grain to town, he cannot get the cattle to town, cannot get the pigs to market, you know, it does not work. And we got a lot of things we need to work on.

So, with that, I yield back and wish us all well, that we can actually move forward under the leadership we have got now. Thank you very much. I yield back.

Mr. DUNCAN. Well, thank you very much, Mr. Boswell, for a very accurate statement. And we are sure going to try.

The next one in line is Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman, for holding this hearing today and giving us an opportunity to share with you some of our priorities.

I participated in several of the listening sessions that Chairman Mica had, and I think it is important, and I would like to highlight five bills that I have brought forward that reflect my priorities, and I think should be incorporated in the main bill.

I recently introduced the Freight Focus Act, H.R. 1122. I represent 40 percent of the Nation's goods going through my particular community. I have a bridge that carries 15 percent of the Nation's cargo that has a diaper underneath it to catch the concrete that is falling down. That is the same bridge that approximately 10 years ago would have cost us $600 million to fix. Now it is going to cost us $1.3 billion to replace.

The Freight Focus bill contains many provisions that I think we need to consider with goods movement in our infrastructure. One, I strongly believe that we need an office of freight within the Department of Transportation. Two, we need a national freight advisory committee that would include the private sector, so they would have an opportunity to give input, in terms of where dollars are spent, in priorities—highways of significance. Three, we need to improve freight planning, and actually designate corridors of national significance. Four, I want to concur with what my colleagues have said. We need to create a goods movement trust fund.

Now, I would like to focus my comments on the diesel tax side, as opposed to the general tax. When you look at a tax that has not been increased since 1993—and, as we heard last week when we had a hearing, if the industry is willing to tax themselves, why are we standing in the way?

And my comment of this committee is I just think we need to have some opportunity—I don't think today is the forum, but there has got to be an opportunity for us to talk about the elephant in the room, and that is to say no taxes for no tax sake I don't think really makes any sense for either side. There needs to be an honest discussion about that particular issue or any other revenue opportunities that we have. Because, clearly, we are not generating enough dollars in the current gas tax.

I have pushback that I think the diesel tax, in particular—you heard right here in this committee, where the American Truckers Association supported taxing themselves.

Also what we heard—when you look at others who are willing to support this idea, who are also supporting my bill, Retail Industry Leaders Association, RILA, which is the largest group that is responsible for moving goods in and around all of our corridors. The Waterfront Coalition, the International Warehouse and Logistics Association. Something is wrong when all of the people who are actually doing the work are trying to move forward ideas that, for some reason, we have got groups of people who do not even want to discuss.

The second key point I wanted to talk about is the TIFIA Enhancement Act. That is also a bill that I introduced, H.R. 1123, that would increase the size of the current program, and it would continue to give local governments flexibility to be able to do long-term financing. I think you are familiar with that, and so I will hold my comments on that one.

Third is the Build America bonds, which you have heard several Members mention. I have a bill, H.R. 736, which would extend this program into 2014.

The other point is number four for me, which is my bill that has to do with what many people have talked about, which is the environment current regulations, and expanding our pilot program, which I do support. But we need to make sure that, as we balance this funding, and we look at these new ideas with regulation, that we do it in the correct way, that we not only—yes, we want to make sure that permits are not holding projects from going forward, but we also need to make sure that our environment is protected, as well.

Finally, my fifth bill that I wanted to talk about is the Prevention of Unreasonable Fees Act, and that has to do with, in many of our airports today, there are areas where there is pre-arranged ground transportation services. In my State—I know in others—for example, if you have a car service that is picking up versus a taxi service, they are charged how many times they are going around the airport, and it really does not make sense.

So, Mr. Chairman and Ranking Member, I just want to summarize my comments, that I and other colleagues have great pieces of legislation. We would like an opportunity to speak with you and your committee staff about how they can be incorporated. But while you were talking with Mr. Boswell I want to end with this point, which is what I started with.

By us not looking at revenue options, the cost is not going to go away. The cost is still there. So for me, of a bridge that used to cost $600 million that is now going to cost $1.3 billion, it has to be addressed.

So, I look forward to working with you and the rest of my colleagues. Thank you very much.

Mr. DUNCAN. Thank you very much, Ms. Richardson.

Ms. Johnson?

Ms. JOHNSON. Thank you very much, and let me thank our subcommittee chairman, Mr. Duncan, and Ranking Member DeFazio, being represented by Congresswoman Napolitano right now.

As a member of the Highways and Transit Subcommittee I would like to express my appreciation to the leadership, as well as members of this committee for an opportunity to talk about what we consider to be priorities. And hopefully we will continue to have more input.

I have introduced several bills that I would like to bring before the subcommittee's attention. First, I have authored H.R. 341, the Transportation and Infrastructure Finance and Innovation Act, TIFIA, which increases the maximum Federal credit assistance and local authority under TIFIA program for such projects from 30 to 49 percent.

TIFIA funding is designed to leverage non-Federal funding, including investment from the private sector. This legislation will continue to allow substantial private co-investment to be leveraged at a time when Federal gas tax revenue and most States' resources are inadequate to meet the funding needs for large-scale transportation projects.

And, secondly, I have introduced H.R. 551, which is a bill that would allow States to continue their own funds toward Federal and State agencies for transportation projects undergoing national environmental policy act. This is an environmental streamlining legislation falling directly in line with one of the committee's primary goals, to provide States the flexibility they need to address their unique transportation challenges by establishing innovative financing options. And I applaud the committee for its efforts to invest in these funds safely.

Now, I guess 2, almost 3 years ago, I served on a task force that Speaker Pelosi put together where we had economists, researchers, Wall Street representatives, and it was very clear that it would be a long time before we would have the money to address the infrastructure needs in this Nation. And out of that came the idea of an infrastructure bank.

I worked with Mr. Mica for a long time, trying to agree on an amount which we would work on. He wanted it to be $300-some billion, and I had in mind $50 billion. So, we did not get very far with that. However, I think it is still an idea that we should be considering on the table so that we can move on with continuing to curve the crumbling of our infrastructure in this country.

And so, I thank you for this opportunity, and I hope that out of this we can get a package that would address many of these needs. As Congresswoman Richardson just said, putting it off does not make it go away. But it will make it more expensive. So, thank you very much. I yield back.

Mr. DUNCAN. Thank you. Thank you very much, Ms. Johnson. Ms. Hirono?

Ms. HIRONO. Thank you, Mr. Chairman. There will be few opportunities for this Congress to truly impact not only the day-to-day life in our communities, but also to affect the prosperity of our future. Few pieces of legislation authorize programs that touch every State and community in a fundamental way. And our Federal surface transportation programs do just that.

These programs create well-paying jobs, putting people to work, doing things that make it possible for our communities to thrive. They also provide the foundation for our well-functioning economy. Reauthorizing these programs and reforming them for the future are important to the people of my home State of Hawaii. As the only island State, we do face unique transportation challenges. We have the highest gas prices in the Nation. We are a growing population, and traffic congestion is a serious problem.

According to the urban mobility report by the Texas Transportation Institute, the average Honolulu motorist pays $709 each year in time and travel cost, due to congestion. Outside of Oahu, which is our most populated island, our neighbor island population is also growing. Demand for affordable public transportation options for workers on the neighbor islands have increased. In addition, we need to expand the capacity of our harbors and improve our airports and roadways.

These are vital to the future success of Hawaii's economy. The Hawaii Institute of Public Affairs estimates that Hawaii needs a minimum of $14.3 billion in capital improvement projects. Many other States are facing similar challenges, and are looking for solutions, just as we are. Addressing these challenges will require a robust, long-term transportation reauthorization bill.

I would like to share what I believe is a unique approach to dealing with our transportation challenges, or at least thinking about them, as well as some ideas that I hope will be included in a final bill. The Hawaiians divided our lands into ahupua'a, wedge-shaped land areas that went from the mountains to the sea. The idea was that everything that happened in the uplands will ultimately affect the coastal area and the ocean. In those days, the ancient Hawaiians managed the resources of each ahupua'a effectively and holistically. This allowed them to manage food and water resources to ensure prosperity and plenty for all, year-round.

The idea behind ahupua'a is certainly appropriate today. If we approach things holistically and embrace smart development and transportation policies, I am confident our modern communities can also ensure prosperity and plenty for all, year-round.

So, a good first step for us to work to achieve an integrated, inter-modal transportation system. This means investments in transit and transit-oriented development. These are the types of systems that give our citizens the option to take a train or a bus or a bike, or even just to walk, or any combination of these on any given day. Linking different modes of transportation also helps to connect workers with jobs, businesses with customers. Increasing transportation options also increases mobility and opportunity for people of all ages and income levels.

Second, we have to continue investing in the safety and security of those using our transportation systems. The State of Hawaii has successfully used National Highway Traffic Safety Administration funds to reduce motor vehicle fatalities, increase seatbelt usage, and keep pedestrians safe.

Third, we have to ensure that we are protecting and enhancing our environmental resources. This means that we must constantly pursue alternative energy, and focus on getting more cars off the road to help keep our air clean. And we must be diligent in incorporating these values into project construction, which means that people should be working together.

In Hawaii, the Army Corps of Engineers works in concert with other agencies—the EPA, Fish and Wildlife, and others—during the early stages of public works projects. This way, each project is looked at from a variety of perspectives at the outset. This saves time, money, and paperwork.

Finally, we have to determine how to effectively finance these new projects and initiatives. Others have talked about the national infrastructure and development bank. This will provide a much-needed alternative means of financing these large projects—certainly not enough. We need to have an annual Federal commitment of some $225 to $240 billion for 50 years, just to upgrade all the modes of transportation to a state of good repair throughout our country. But all options should be on the table. The President's 2012 budget provides a solid blueprint from which to work, in terms of what we need to do.

But I think we can also learn from the ancient Hawaiians to think about our shared challenges holistically, in order to effectively manage our prosperity for generations to come.

Thank you, Mr. Chairman. I yield back.

Mr. DUNCAN. Thank you very much. Mr. Nadler.

Mr. NADLER. Thank you, Mr. Chairman, for holding this hearing to solicit policy proposals for Members of Congress about the service transportation authorization bill.

Many of us on this committee, myself included, recognize that in order to truly meet the infrastructure needs across the country, we need to write a bill that significantly increases funding. We know that there is a $2.2 trillion backlog, just to get our infrastructure up to a state of good repair.

I have heard the mention in this committee the past couple of months about looking for ways to do more with less. I am deeply concerned about the implications of that approach, and fear that any cut in funding will have disastrous effects on jobs and on the economy, on the quality of life, on the state of good repair of our roads, bridges, tunnels, and rails, and on the environment.

Unfortunately, considering the political climate in the House these days regarding public spending, I fear we will not report a bill with adequate funding levels. So, rather than get into every policy provision or program that I have worked on in this committee for the past 2 decades, I would like to focus today on two overarching concerns.

First, it is extremely important that transit, public transportation and alternative modes of transportation, continue to play a prominent role in the surface transportation bill. I have heard Chairman Mica indicate the transit funding will remain "about the same." I certainly hope that this—I certainly hope that at least that is true, if we cannot realize a substantial increase in transit funding. But in any event, it is imperative that we retain adequate funding and eligibility under the Federal program for public and alternative modes of transportation.

Second, it is absolutely essential that the bill includes a rail title, and adequately deals with freight and goods movement. Too often we distribute funding through the silos of highways, transit, et cetera, and do not consider some of the bigger projects that cut across all modes, but which have a direct benefit to the highway system and commuters.

I agree with Chairman Mica that we need a national strategy, and that freight and, in particular, rail freight must be a part of that equation. I am hopeful that in the next transportation bill we can include a program to fund projects of national and regional significance, as it was originally intended to ensure that we complete a few initiatives that are too big for one State to carry on its own, and which might not fall under the traditional eligibility requirements, but that are vital to the economy and national security or have other significant public benefits.

I have had conversations with Chairman Mica and others on the committee about this, and I look forward to having more detailed discussions as the bill moves forward. I want to thank you, Chairman Duncan, for holding this hearing. I look forward to hearing from our witnesses.

Mr. DUNCAN. Thank you very much. Mr. Young?

Mr. YOUNG. Thank you, Mr. Chairman, and I know that we have to go through this exercise of futility, and I do recognize you for that.

I am very concerned about this whole process. I was the author of the last bill, and everybody in this room that was here before voted for that bill four times. And I have told the chairman I am not excited unless we figure a way around this program about writing a bill that gives the money, basically, to the President—I don't care who the President is—for the next 5 years, and then have that Federal Highway Commission decide they are going to send it to the State department of transportation.

Now, I do not know how many of you in this room realize what that means. That means you have no say of anything about a highway bill. So why in the hell would we write a highway bill? Think about it a moment. Why would I give the President and the State department of transportation monies and I have no say where it goes?

And I represent a whole State, I do not represent one little district. I have two major metropolitan areas, two of them. And I know my State department of transportation. We ought to eliminate all State departments of transportation, by the way. I think we would be a hell of a lot better off. Because they will put the money where the largest wheel turns. And the rest of the State transportation will be neglected. Neglected. And this is about transportation for all of the people, not just the few of the people. All of the people, small communities and large communities. Make it a network that serves this country.

We are way behind the act. And, by the way, I have yet to speak to the chairman how we are going to finance this thing. If you had done what I wanted you to do 8 years ago we would have had it done. Now you did not get any support from my President and your President, or any of the leadership. "Oh, we cannot raise any money." Gas is $1.36 at that time. And I wanted to raise it $.05 one time, index it, and we would have had this thing funded. I do not know how you are going to fund it right now.

But in the meantime, as we go forth in this program, if we have any opportunity, as this committee of all committees, stick together and make sure our people understand on my side of the aisle, your side of the aisle, this is about transportation. There is no Democrat, there is no Republican. This is a transportation system for the United States of America, the people of America.

Now, to have us shortchange this by an idea, "Oh, we are going to let the Federal Government run this program," shame on us. Shame on us. We are the ones that said less government, less control, less regulations. And we are going to give it to the Federal Highway Commission?

And, truthfully, Mr. Chairman, I am very concerned about this, and if there is not some breakthrough where every Member, as a congressman, has a right to dedicate where dollars should go—yes, it is called an earmark—and if you will go back through history, that is the Constitution. Only the Congress can raise money and spend money, not the President of the United States or an agency of his designation.

We have neglected our duty by being true representatives of the people. The people have a right to address the government, and we are the government, not some unelected bureaucrat that does not know his backside from his sun side, but he thinks he does.

So, Mr. Chairman, I am saying this very strongly, I hope you understand where I am coming from. This is not a good idea, to try to write a bill where we have no say in what occurs.

Now, I have got that off my chest and I have got to go to another meeting. Thank you, Mr. Chairman.

Mr. DUNCAN. Well, thank you very much, Chairman Young, for a very fine statement. And Ms. Brown?

Ms. BROWN. Thank you, Mr. Chairman. And I want to be associated with the remarks of the gentleman from Alaska, because I likewise feel that Members who raise the capital should have some input. You can call it earmarks, you can call it Members' priority. But the first Congress had an earmark and it was a lighthouse in Maine. So it has always been the responsibility of the Congress to raise the revenue. And we, of course, should have some input as to how that revenue is spent.

I do want to talk about how happy I am that we are having these hearings. I want to thank Mr. Mica and Mr. Rahall for holding these hearings, because I think that we need the 6-year reauthorization bill. I think it would kick-start our economy. The railroad subcommittee will be holding a similar hearing on Thursday to hear testimony on issues that would be included in the reauthorization bill. I would encourage anyone that has suggestions for improving rail, pipeline, and hazmat programs to get them to the subcommittee as soon as possible.

We are experiencing a renaissance in passenger rail in this country. And if we want to keep up with our international competitors, we need to make a significant investment in commuter and high-speed rail. I am an advocate for the support of a dedicated source of funding for rail, and would encourage the committee to include a minimum of $50 billion over the life of the bill.

Compared to the funding level in the overall bill and the money being spent in other countries—for example, China, $350 billion—this is a very small amount of money to dedicate to rail.

Although we have some very small-minded governors, support for high-speed rail is still very high around the country. In fact, last night, as of 8:00 p.m., application deadline for the Florida high-speed rail funds was approaching, applicants throughout the United States was rolling in, into the FRA for the Florida money. I know New York is right in there, and California, and probably even Texas.

I also believe that this reauthorization offers us an opportunity to improve the Railroad Rehabilitation and Improvement Finance program, RRIF. The RRIF program can help railroads, shippers, and States meet these rail infrastructure investment needs. But I think we are not taking full advantage of the program. I met with railroads and others and they tell me it takes too long, it is too expensive, you have to go from agency to agency. This is one example that we need to combine the regulations and work to make it more streamlined and find a way that we can reinvest in the infrastructure through the RRIF program.

There is one program I do want to talk about. I want to encourage the committee to include language that ensures minority veterans and women-owned businesses are getting their fair share of the transportation pie. Federal transportation spending have historically served as a crucial means to empower socially disadvantaged businesses.

Thanks to the effort of the Congressional Black Caucus and a bipartisan group of members of the House Transportation Committee, including Bud Shuster, when he was chairman, every major transportation bill since 1983 have mandated minimum levels of participation for minorities or women-owned business. Unfortunately, because the Federal Railroad Administration has not historically been a significant grant-making agency, it does not currently authorize—require opportunities for disadvantaged business.

I strongly encourage the committee to take the steps necessary to provide the FRA with the authority and to develop other programs such as small business set-asides, subcontracting, goal-setting, and other avenues that ensure that minorities and disadvantaged businesses have fair access to Federal fund contracts.

During the field hearing process, we have heard from witnesses who want to limit the scope of the bill to just building roads. In fact, I was just appalled when one person said that—and I support building roads, but he indicated that just roads, not even sidewalks, not overpasses. What about the children? What about the handicapped? When we develop a transportation bill, it should be comprehensive. It should serve all of the people.

And so, with that, I would yield back the balance of my time. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you, Ms. Brown. And we have been joined by the ranking member of the full committee, Mr. Rahall. Do you have a statement?

Mr. RAHALL. No, thank you.

Mr. DUNCAN. All right. Mr. Altmire.

Mr. ALTMIRE. Thank you, Chairman Duncan, for calling this hearing as the committee prepares the next transportation authorization. We can all agree that the priority of this committee is to advance policies that promote a surface transportation system that guarantees safe and efficient travel. We are also aware that American infrastructure currently faces challenges on several fronts, and my home State of Pennsylvania is no exception.

Last month, Transportation for America released a report on our Nation's bridges that revealed that 26.5 percent of bridges in Pennsylvania are structurally deficient, giving Pennsylvania both the highest percentage and the greatest number of deficient bridges in the entire United States. This is an unacceptable statistic, but it is the reality for the traveling public in western Pennsylvania, and it needs to be addressed as a priority of this authorization.

Mr. Chairman, repairing crumbling bridges is a safety concern not just for western Pennsylvanians, but for all Americans who want to be confident that the bridges they cross daily to get to work and take their children to and from school are structurally sound. Despite the fiscal constraints we face, this committee must focus on initiatives that connect communities safely now and in the future. This is one area where we can not afford not to act.

And in addition to crumbling roads and bridges, we must confront the reality of our Nation's aging population. It has been estimated that 25 percent of American drivers will be over the age of 65 by the year 2025. These drivers have years of experience behind the wheel that help them make smart decisions. But they also have some physical and visual limitations that need to be addressed by sound public policy.

The Federal Highway Administration's older driver handbook lays out several vital road safety alterations that can improve safety for older drivers on the roadway. These include signs with more legible font, reflective pavement markings, left-turn lanes at intersections, and better placement of signs. These improvements are inexpensive and have a proven track record of being extremely effective at reducing roadway deaths and injuries. By improving the markings and traffic patterns on our roads and highways, and making older drivers' daily travel as safe as possible, we increase road safety for every driver and every passenger on the road.

Mr. Chairman, I look forward to working with you and the rest of the committee as we craft policies that will shape the way Americans travel for generations to come.

Western Pennsylvania deserves safe roads and bridges, and I appreciate your leadership and cooperation in achieving that goal as this authorization moves forward. And I yield back the balance of my time.

Mr. DUNCAN. Well, thank you very much, Mr. Altmire. And now we are honored to have the Honorable Geoff Davis and the Honorable Steve Chabot. And I thought maybe Ms. Schmidt was going to join—you are going to be up here, a member of the committee.

And we will now hear their testimony. We will ask unanimous consent that the full statements of all Members be placed into the record. Is there any objection?

[No response.]

Mr. DUNCAN. Hearing none, that will be so ordered. Since your full written statements are now—or will be—included in the record, we will request that you summarize these statements in 5 minutes.

And, Ms. Schmidt, do you want to go first, or do you want the——

Ms. SCHMIDT. No, I am just listening.

Mr. DUNCAN. OK, all right.

Ms. SCHMIDT. We are packaged as a team.

Mr. DUNCAN. All right. Well, thank you very much. We will hear first from Congressman Davis.

TESTIMONY OF HON. GEOFF DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY; HON. STEVE CHABOT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO; HON. JOHN GARAMENDI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA; HON. JUDY CHU, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA; HON. EARL BLUMENAUER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON; HON. ROSA L. DELAURO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT; HON. GENE GREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS; HON. MARK S. CRITZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA; HON. NYDIA M. VELÁZQUEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK; HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS; HON. G.K. BUTTERFIELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA; AND HON. PAUL TONKO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. DAVIS. Thank you, Chairman Duncan and Ranking Member Napolitano, for the opportunity to testify today. We are here today to discuss the necessity for Congress to develop and prioritize a program to finance nationally vital transportation projects where costs cannot be borne by one or two States alone.

An example of such critical infrastructure projects is the Brent Spence Bridge, which, as you can see from our first handout, is a vital interstate structure on the critical north-south I–75 corridor that crosses the Ohio River between our districts. As you can see from the second handout, one-third of the population of the United States lives within 275 miles of this corridor. The Brent Spence

Bridge carries more than 3 percent of our gross domestic product across the Ohio River annually. Replacement of this bridge is critical to America's economy.

As you begin to develop core elements of the surface transportation reauthorization, we submit that a new process by which nationally vital transportation projects can be addressed and funded should be developed for the economic well-being of the Nation, as a whole. We must develop a rational process whereby critical infrastructure projects will be objectively identified and funded, based on merit. The 2011 authorization presents an opportunity to fill that need.

Despite our best efforts during the previous transportation authorization bills, Congress has not established a sufficient mechanism for funding critical infrastructure projects where costs are so high they cannot be funded by one or more States.

For example, the Brent Spence Bridge project will ultimately cost between $2 billion and $3 billion to complete, a burden which Kentucky and Ohio cannot shoulder alone. And we take a generation or more to fund this one project under current highway trust fund allocations.

The Brent Spence Bridge enables more than $400 billion of commerce to travel from origin to destination, annually. With interstate truck traffic projected to grow by 10 percent by 2030, the bridge, in its current state, will gridlock a vital national corridor causing lost income, wasted fuel, and reduced employment because we cannot efficiently deliver goods to customers.

However, Ohio and Kentucky would have to dedicate their entire highway transportation budgets, to the exclusion of everything else, in order to fund the Brent Spence Bridge project. This is fiscally unrealistic, and would be unreasonable, given the benefits of the project that flow to the Nation, not just two States.

Major transportation bottlenecks cost thousands of hours of delay, and have a negative impact on individual travelers, commuters, families, truckers, shippers, and receivers, particularly when the routes they travel are hostage to under-funded critical infrastructure modes of national significant.

The Woodrow Wilson Bridge between Maryland and Virginia, just southeast of downtown Washington, DC, is traveled daily by some in the room here. In 1993, 200,000 vehicles crossed that bridge every day. The Wilson Bridge carries Interstate 95 and 495 across the Potomac River. The bridge supports a transportation corridor of national significance, connecting the southeastern and northeastern United States.

At the time, the U.S. Department of Transportation estimated that the value of the freight trucked across this bridge was equivalent to 1.3 percent of the entire gross domestic product of the United States, less than half that of the Brent Spence Bridge mentioned earlier. By the mid-1990s, the bridge was carrying 250 percent of the traffic volume for which it was designed. The bridge only had three lanes with five highways lanes worth of traffic trying to squeeze through. The bridge had become a bottleneck with national significance, causing tens of thousands of hours of delay to American travelers and commerce.

Neither Maryland nor Virginia could assume the $2.5 billion cost of this project, which was several times the annual statewide infrastructure budgets for both States. Additionally, there was no Federal program to fund projects that impacted the Nation as a whole. If Congress had not prioritized funding for the Wilson Bridge, funding that paid for the majority of the cost of the project, the bridge may have come to closure with economic impacts felt across the eastern seaboard.

Congress helped resolve the funding issue, and the Wilson Bridge project was completed. However, resolution was cobbled together through exception, not by a cohesive decisionmaking and prioritization process like the one we are advocating for today. The 2011 authorization must include a mechanism for dealing with critical infrastructure projects like the Wilson Bridge that will hasten economic recovery and put Americans back to work.

As we have noted, a current example of a project impacting the Nation as a whole is the Brent Spence Bridge. Not only a vital conduit of goods and people across the Ohio River, the bridge also connects Canada to Florida via I–75, as well as Ohio to the western United States via I–71, and feeds traffic and freight to Chicago via I–74 and all the way to Alabama via I–65. The bridge affects commerce in over 60 Congressional Districts across the central United States. Completed in 1963, it was designed to carry 80,000 vehicles today. And it will soon have to accommodate nearly 200,000 vehicles, despite being functionally obsolete.

It is illustrative of projects over $400 billion in freight crossing the Ohio River for the American economy, more than 3 percent of our gross domestic product. It is a critical infrastructure project for the United States, and will create tens of thousands of jobs. I urge my colleagues to ensure the 2011 transportation authorization has a program for providing a funding mechanism for critical infrastructure.

Finally, I would like to express my tremendous appreciation to my colleagues, Steve Chabot and Jean Schmidt, for their help and partnership through the years, as we hope to see this project forward to benefit our Nation.

With that, I thank you for your consideration and yield back, Mr. Chairman.

Mr. DUNCAN. Thank you very much, Mr. Davis.

Mr. Chabot?

Mr. CHABOT. Thank you, Chairman Duncan and Ranking Member DeFazio and Congresswoman Napolitano, and all the other members of the committee, for giving us the opportunity to address the committee and testify today.

Congressman Davis, I want to take this opportunity to thank you for your continued leadership on this issue. I look forward to working with you.

And Congresswoman Schmidt, I also want to thank you for your leadership. And this is a project I know we have all worked on for many years. And even our predecessors, going back many years, we have worked on this. And it has been done in a bipartisan manner, and I would encourage us all to continue to do that as we move forward on a transportation bill.

Like Congressman Davis, I am also here to support the authorization of a program in the 2011 transportation bill to include projects of regional and national significance. We need to be pragmatic in our approach to this transportation bill, ensuring that every dollar spent represents a long-term investment that will improve the flow of commerce and create American jobs. We must recognize that, although we face significant budget challenges, the basic infrastructure of our Nation must be a top priority.

In Cincinnati we have a project of regional and national significance that I believe is the type of project Congress needs to consider while taking up the highway bill. The Brent Spence Bridge, as previously referred to by Congressman Davis, is not only critical to our local economy, but, like Congressman Davis said, it is a major commercial artery connecting the Midwest with the South.

The annual value of freight crossing the bridge exceeds $400 billion. That is a little over 3 percent of our national GDP crossing one bridge. And by 2030, the value in real dollars is expected to more than double to $800 billion, nearly a $1 trillion. The benefits of a project with that kind of freight value are tremendous. The Brent Spence Bridge project would save an estimated $748 million in congestion costs annually, savings that would grow in real dollars to $1.3 billion annually by 2030.

A 2009 study done by the Texas Transportation Institute concluded that completing the Brent Spence Bridge project would save 2.9 million man-hours of delay, 210,000 vehicle-hours of delay, and 1.22 million gallons of fuel every year. Over the next 20 years this would result in $18.9 billion in benefits for commuters, shippers, and manufacturers.

The numbers are powerful on their own, but with freight serving as a key determinant of our economic competitiveness in the new global marketplace and the economy, projects like the Brent Spence Bridge carry even greater significance. With the price of oil well over $100 a barrel, and freight traffic scheduled to increase by 10 percent by 2030, our ability to efficiently move goods within our Nation's borders is critical to keeping the price of American goods low and competitive in the global marketplace.

It is no secret that our country faces serious economic challenges. Our national debt, let us face it, is out of control. And that is due, in large part, to poor decisions and wasteful spending of taxpayers' money. Those of us in Congress are consequently forced to make tough choices on how to wisely invest in projects on their merits, not on their politics. We owe it to the American people to invest only in those projects that will produce long-term savings, keep us competitive and, most importantly, create American jobs.

Like my friend and colleague, Congressman Davis, and like Congresswoman Jean Schmidt, I strongly urge you to ensure that the 2011 highway bill authorizes funding for projects of regional and national significance, like the Brent Spence Bridge.

Thank you for your time. I yield back the balance of my time.

Mr. DUNCAN. Thank you very much, Mr. Chabot. Ms. Schmidt wants to also testify about this particular project, and then I will go to Mr. Larsen.

Ms. SCHMIDT. Thank you. And I want to thank Congressman Davis and Congressman Chabot for highlighting this very important project. Just a couple of quick things.

Ohio is one of the areas of the country where it moves services within 500—most of the services in the United States are moved within 500 miles of Ohio. So the I–71/I–75 corridor is well-used. That all feeds into the Brent Spence Bridge. I would like to add a couple of things to your facts on it.

One is, while structurally it gets about a B–, capacity-wise it is at an F–, because there are no lanes for breakdowns. It is wall-to-wall across the bridge. It is the sixth most used bridge in the country. And, as highlighted before, 3 percent of our GDP is moved across that bridge.

But more importantly, it highlights something that we have a greater concern in the United States, and that is major projects. How are we going to fund major projects, multimodal projects across the United States, under the current formula that we have now? I think, Mr. Chairman, we have to find ways to do that, language within the transportation bill, and funding outside of the transportation bill's scope. And toward that end, I look forward to working with you.

And I thank the gentleman for highlighting this very important need for the United States.

Mr. DUNCAN. Well, thank you very much. I think, as some of you know, I have had so many relatives in the Cincinnati-Dayton area throughout my life—and also, in fact, we held a Duncan family reunion one time in Mr. Davis's district there, at the Drawbridge Inn. But I am very familiar with this. Interstate 75 also runs through my district. I have been in both of your districts many, many times. So it is a very important project, and I thank you for coming to testify here today. Thank you very much.

Mr. DAVIS. Thank you, Mr. Chairman.

Mr. CHABOT. Thank you, Mr. Chairman.

Mr. DUNCAN. Mr. Larsen.

Mr. LARSEN. Thank you, Mr. Chairman. I want to thank you for the opportunity before the subcommittee to consider some of the policy proposals that I want to put forward for the next surface transportation bill. I look forward to working with you, Mr. Chairman, and Ranking Member DeFazio, to invest in our Nation's infrastructure and create jobs as we rewrite the Federal surface transportation legislation.

Now, as we write this next bill, it is clear that our Nation needs a significant investment in our transportation infrastructure to create private sector construction jobs, invest in the repair and maintenance of our highways, roads, bridges, and transit, and set the foundation for future economic growth.

In the Pacific Northwest, where I am from, transportation investment means jobs. Local private sector engineers were in my office last week, and said that the single biggest action Congress could take to save and create jobs in their industry would be to pass a 6-year transportation authorization bill.

Now, the full committee chair has indicated that we should not expect a bill that calls for more funding than the highway trust fund can sustain. In other words, a bill that contains less funding than the SAFETEA–LU. So, I support innovative financing mechanisms, but I will be clear. Innovative financing mechanisms would only be supplements to the highway trust fund, not substitutes. It is hard to see how innovative financing bridges the gap between current trust fund levels and the amount that most transportation experts believe we need to simply maintain the transportation system that we have.

If this committee is going to write a $250 billion bill, we should all be clear on what that means: States and localities will do less with less. Fewer private sector construction jobs will be created. Fewer highways, roads, and buses will be maintained. And even fewer new capacity-building projects will be built.

On the issue of consolidation, Mr. Chairman, I support the—consolidating Federal transportation programs, as the Democrats first proposed in the 2009 Surface Transportation Authorization Act. And, as well as streamlining the Federal permitting process. These measures will not fill the funding gap, but they are simply necessary reforms important for the future of transportation funding.

Currently there are 108 separate Federal surface transportation programs administered by 5 separate Federal agencies. The current program structure is fragmented and stovepiped, and there is little relation between our national transportation goals and this complicated decisionmaking process.

Then-Chairman Oberstar's Surface Transportation Authorization Act proposed consolidating or terminating more than 75 programs. It would have transformed the current structure into a performance-based framework designed to achieve specific national objectives.

The GAO recently concurred with this approach in their March 2011 report on opportunities to reduce potential duplication in government programs, save tax dollars, and enhance revenue. The GAO argues that, "This fragmented approach impedes effective decisionmaking, and limits the ability of decisionmakers to devise comprehensive solutions to complex challenges." They concluded that "a fundamental re-examination and reform of the Nation's surface transportation policies is needed." I urge the committee to heed the GAO's advice.

Next I would like to discuss a top transportation priority for my district in the reauthorization bill. Meeting these priorities will mean jobs in the Pacific Northwest.

First, the issue of ferries. Ferries are a top priority for my district and for the State. The Washington State Ferry System is the largest system in the United States, and carries over 25 million riders annually. Ferries are an integral part of the transportation infrastructure of Washington State. They are an extension of our highway system. They provide public transportation to help thousands of my constituents get to work and to return home. So I encourage this subcommittee to improve and expand upon this investment and this form of transportation.

In fact, next month, Senator Patty Murray and I, from Washington State, will introduce the U.S. Ferry Systems Investment Act of 2011. Our legislation will make a robust investment in the Federal ferry boat program, also mandate that half of these funds be distributed by formula, and half through—by a discretionary basis.

Second, highway safety. My district includes U.S. Highway 2, a stretch of highway where there have been over 50 fatal accidents since 1999. So I support the inclusion of a robust safety program, or at least an emphasis in the next surface transportation bill that could direct resources toward particularly dangerous highway corridors.

Finally, Mr. Chairman, freight mobility is a priority. In Washington State, freight systems supported over 1 million jobs in freight-dependent industry sectors. Washington State's transportation infrastructure, including our northern border crossings, Interstate 5, the Burlington Santa Fe and Union Pacific rail lines, the ports of Everett, Seattle, Tacoma, and others, and inter-modal connectors, all of them, are critical to supporting the movement of freight and goods that create jobs.

Investment and freight mobility is important, because the more freight we move, the more jobs we create. And I support the creation and funding of a national freight transportation program that will work with States and local governments to invest in highway rail and port projects that eliminate choke points and increase efficiency.

Mr. Chairman, I want to thank you for the opportunity to present my policy requests for the next surface transportation authorization. I look forward to continuing to work with you and the rest of the subcommittee as we look at how to invest in our Nation's infrastructure to create jobs. Thank you.

Mr. DUNCAN. All right. Thank you very much, Mr. Larsen, for a fine statement.

We are honored now to have Representative Garamendi. And, Mr. Garamendi, your full statement will be placed in the record.

And you may proceed.

Mr. GARAMENDI. Mr. Chairman, thank you very much, members of the committee.

I have just listened to three presentations, and all three of them speak to what I would like to start my policy statement with, and that is let us make all this stuff in America. We do have a Buy America provisions, they have been in the law for a long time, but they are routine, they are ignored. We need very strong make-it-in-America—because, frankly, we need to rebuild our manufacturing base here in this Nation. And we can use our infrastructure programs to do that.

Speaking specifically today of transportation, all well and good. If we are going to build a bridge, it ought to be American steel. If we are going to deal with transit systems, they ought to be buses, trains made in America. I have legislation that is now in the hopper, H.R. 613, Airports, Highways, High-Speed Rail, Trains, and Transit, all of it. Let us make it in America. If we are going to use our tax money to buy something, we ought to use it to buy American-made equipment. There is a provision in this that allows us to move toward 100 percent over 3 years.

So, I will start there. Let us use our money to strengthen the American manufacturing base. We know it can be done. The stimulus bill did it. And now we are seeing Siemens and other foreign countries—companies—establishing manufacturing plants here so that they can move forward with building high-speed rail.

Secondly, I support President Obama's $556 billion/6-year surface reauthorization plan to modernize our country's surface transportation infrastructure to create jobs and to invest in our future. I like the idea of a jump start. We need jobs now. We certainly need jobs in the future. But his $50 billion boost? Terrific. We ought to do it, ought to be in the bill. We ought to move forward with it.

The $8 billion in 2012 and $53 billion over 6 years to provide 80 percent of Americans with convenient access to passenger rail, high-speed services in the next 25 years, bravo, ought to be in the bill, we ought to do it. The $30 billion over 6 years for the national infrastructure bank, terrific idea. It gives us a way to leverage both public and private money. It should be in the bill.

The next generation air transportation system, I don't know how many years this precedes me—by at least a decade-and-a-half—but yet it is not yet done. Let us get it done. It is going to make air travel to the Pacific much easier for Mrs. Napolitano and myself, and we think that is a great idea.

The $10 billion for the state of good repair, OK. But that also reminds me of another issue, which is the state of high denial that seems to exist within this Congress on this side and the other side, and perhaps also in the administration. There is no freebie here. We are going to have to find the money to do it. So if we are going to have a state of good repair, we have to end the state of high denial that somehow there is going to be money falling from trees or somewhere that is going to pay for this.

We need to be very, very serious about this, and we also need to understand that later this fall there is no excise tax. It terminates. And we are going to have to reauthorize the excise tax on diesel and gasoline. And as we do that, we ought to consider the overarching needs and set that price—set that at a level where we can actually do the things that must be done for America's future.

Specifically on the Bay area, the northern California San Francisco Bay area is one of the largest transportation places in this Nation, and it has over 5 million passengers a year on public transportation. So as we reauthorize, we need to pay attention to the transit systems that serve the entire Nation, and particularly the Bay area. There is BART, there are bus systems, there is transportation programs of all kinds, including Amtrak with its Amtrak capital corridor the San Joachin corridor, and the—also the peninsula.

We have three major airports: San Francisco, Oakland, San Jose. We have ports: the Port of Oakland, the Port of West Sacramento, Stockton, and also a couple of smaller ports in the area. All of these need our attention, and we have to do the money to do it. High-speed rail is much discussed. California will build it, and it will service well into the future.

Livable communities. Yes, bicycles are really important, as are walking and other ways of getting to the transportation hubs.

And finally, let me just finish with five major interstate routes: Interstate 80; 680; 580; two State routes that have become major corridors, the 4 and the 80. All of these are critically important, and they have to be properly integrated into the overall structure and funding of the new surface transportation program.

I won't go into pipeline safety, but we are all across this Nation going to spend billions upon billions in upgrading our pipelines. And I think all of us are aware of that.

In conclusion, we simply are going to have to build for our future. The transportation infrastructure is critical. I thank you for the extra 20 seconds, and I will be happy to answer any questions.

Mr. DUNCAN. Well, thank you. Thank you very much, Mr. Garamendi. I certainly agree with your Buy America statements. And at some point we have got to stop rebuilding Iraq and Afghanistan and start rebuilding the United States of America.

Mr. GARAMENDI. Well, why don't we do that by denying the funding for those programs, and start ratcheting down the funding and transfer that here?

It personally drives me crazy. We didn't get into the program, but I represent the Delta crucial to California's future. I cannot find a Corps of Engineer person to work on that seriously. But I suspect if we talked about the delta of the Euphrates River we could find all kinds of folks to work on that. Thank you very much.

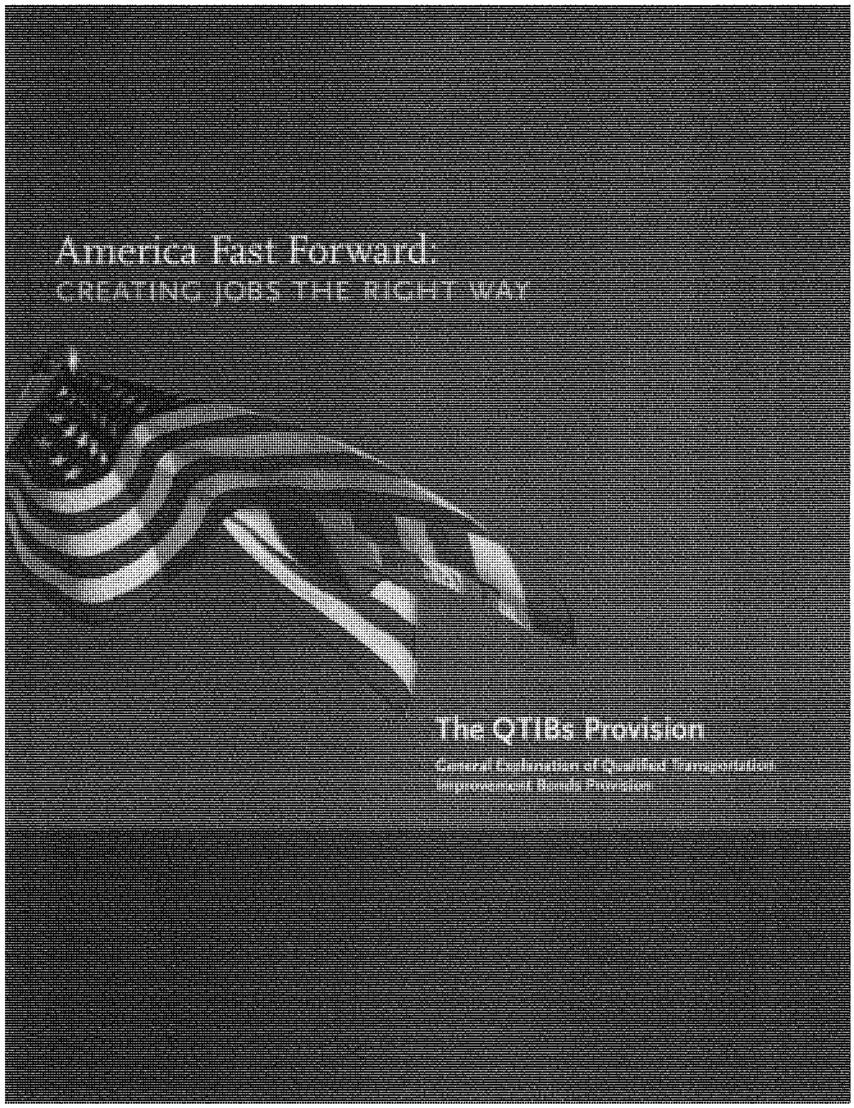
Mr. DUNCAN. All right. Thank you very much. Ms. Chu has been here with us for a while, and we will go next to her, and then we will get to Mr. Sires.

We are honored to have you, Representative Chu, and you may begin your testimony.

Ms. CHU. Thank you so much, Mr. Chair. Los Angeles is one of the most congested and polluted counties in the Nation. And now, more than ever, we need a transportation system that will create jobs. That is why it is so critical that we move forward on a surface transportation authorization.

I am here today to reiterate our region's most important priorities, and to urge you to include these suggestions in any draft surface transportation bill. To that end, I would like to ask that you include in the record the Los Angeles County Metropolitan Transportation Authority's detailed proposal that they call America Fast Forward, also known as the 3010 Plan.

[The information follows:]

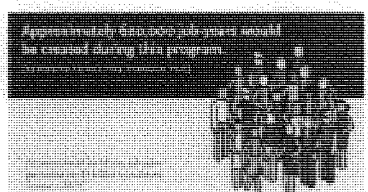

America Fast Forward:
CREATING JOBS THE RIGHT WAY
The QTIBs Provision
General Explanation of Qualified Transportation
Improvement Bonds Provision

The QTIBs Provision

Qualified Transportation Improvement Bonds

This provision would amend section 54 of the Internal Revenue Code to establish a new class of qualified tax credit bonds, called "Qualified Transportation Improvement Bonds" (QTIBs). Qualified tax credit bonds are taxable bonds issued by state, local or other eligible issuers where the federal government subsidizes most or all of the interest cost through granting investors annual tax credits in lieu of interest. In 2010, Congress authorized issuers of most types of tax credit bonds to elect to receive refundable tax credits that they could present to the Treasury Department for cash. This feature allows the bonds to be sold as interest-bearing obligations to new classes of investors such as pension funds, substantially enhancing their marketability over bonds paying investors interest in the form of tax credits.

Congress to date has authorized qualified tax credit bond programs totaling in excess of $36 billion for forestry conservation, renewable energy projects, energy conservation, qualified zone academies and new school construction. QTIBs would represent a sixth class of such bonds.



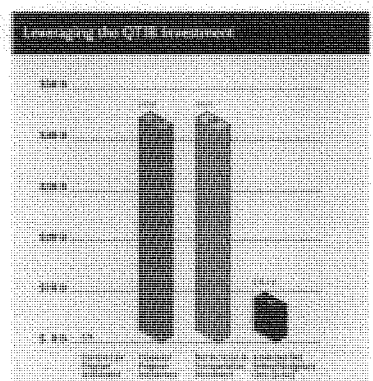
QTIBs would be authorized in the amount of $4.5 billion per year from 2011-2020, or $45 billion in total. Unissued amounts could be carried forward to a future year. Of the total, 65 percent would be allocable by the Secretary of Transportation for "mega public transportation projects," defined as public transportation improvements that:

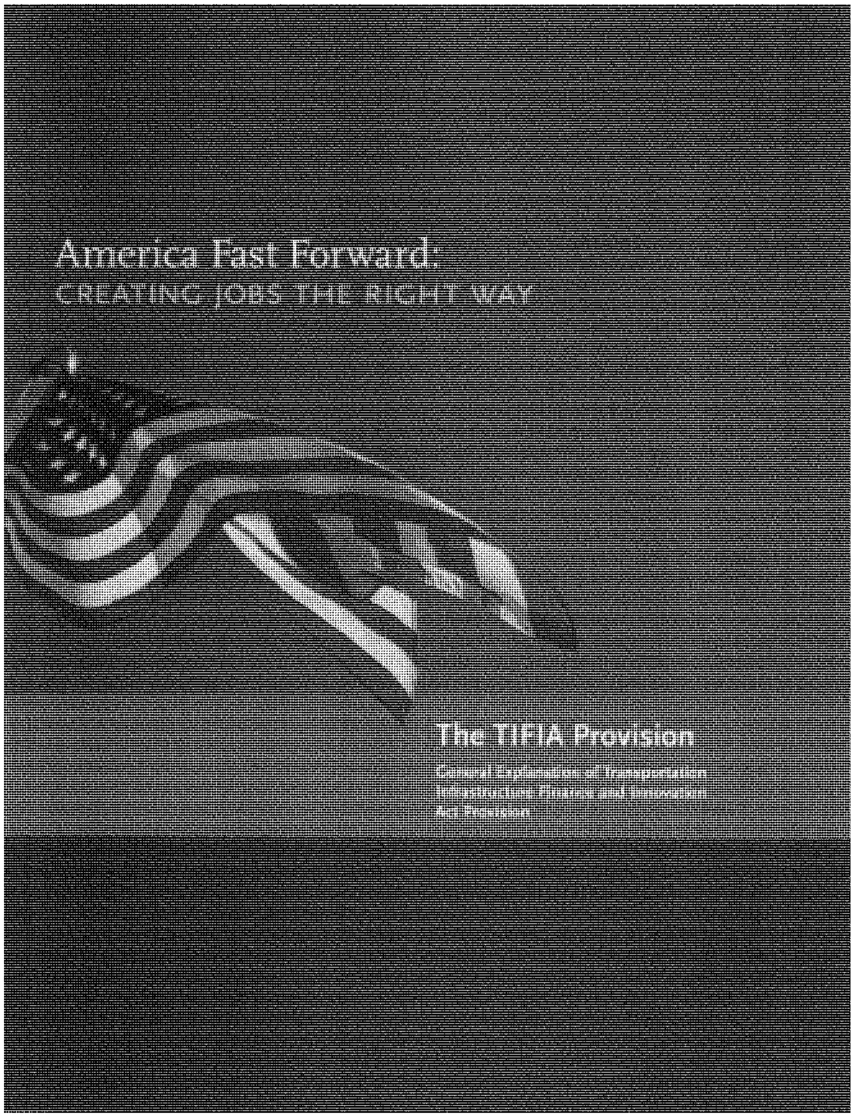
> **Significantly reduce emissions of greenhouse gases;**
> **Have capital costs in excess of $1 billion; and**
> **Receive no more than 30 percent of their funding from federal grants under title 23 or chapter 53 of title 49.**

The remaining 35 percent could be used to finance any highway or transit project eligible under title 23 or chapter 53 of title 49 having a cost of $10 million or more (qualified transportation improvement projects). This volume would be allocated among the States based on their share of the nation's population. Each State would select the projects to receive volume allocation from its portion of the national limitation.

The Treasury Department would set the maximum reimbursable rate for the bonds marketed each day, at a rate enabling the bonds to be sold at their face (par) amount, without interest cost to the issuer. Every month, the Treasury would establish the maximum permitted final maturity that would result in the discounted present value of the bonds equaling 20 percent of the maturity value (i.e., an effective 80 percent federal share, consistent with other federal surface transportation assistance programs) -- provided in no case would the bond maturity extend beyond 35 years. While this is a deeper federal subsidy than the 50 percent present value subsidy for other types of qualified tax credit bonds, it is justifiable based on the long-lived nature of transportation investments and their substantial public benefits (such as pollution reduction, energy conservation, job creation and economic development.)

As proposed, QTIBs would allow issuers to finance more than *twice* the dollar value of capital improvements than is possible with traditional tax-exempt bonds for any given annual revenue stream. QTIBs should not only stimulate greater investment but also take pressure off of the conventional federal grant programs.




America Fast Forward:
CREATING JOBS THE RIGHT WAY
The TIFIA Provision
General Explanation of Transportation
Infrastructure Finance and Innovation
Act Provision

The TIFIA Provision

Transportation Infrastructure Finance and Innovation Act

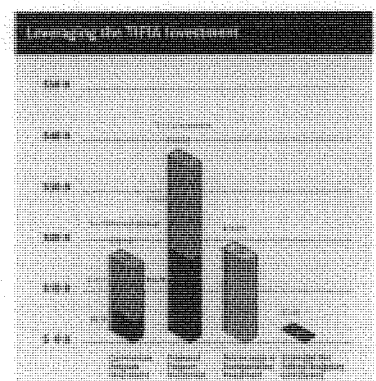
This provision would amend chapter 6 of title 23, United States Code, to modify the Transportation Infrastructure Finance and Innovation Act (TIFIA) program structure to authorize the U.S. Department of Transportation to make upfront conditional credit commitments for certain large projects or programs of related projects that satisfy national infrastructure investment goals. The provision would also increase funding for the TIFIA program and raise the credit limits for projects receiving assistance.

Under the current program, the U.S. Department of Transportation can provide credit assistance for surface transportation projects of national or regional significance in the form of secured (direct) loans, loan guarantees, and lines of credit for up to 33 percent of eligible project costs. The TIFIA program offers financing secured by revenues generated by or dedicated to individual projects. Before the execution of an agreement that commits credit assistance, a project sponsor must receive its final environmental approvals, have detailed cost estimates pursuant to a substantial level of design/engineering work or an executed construction agreement, and have a complete plan of finance with all other financial commitments in place.

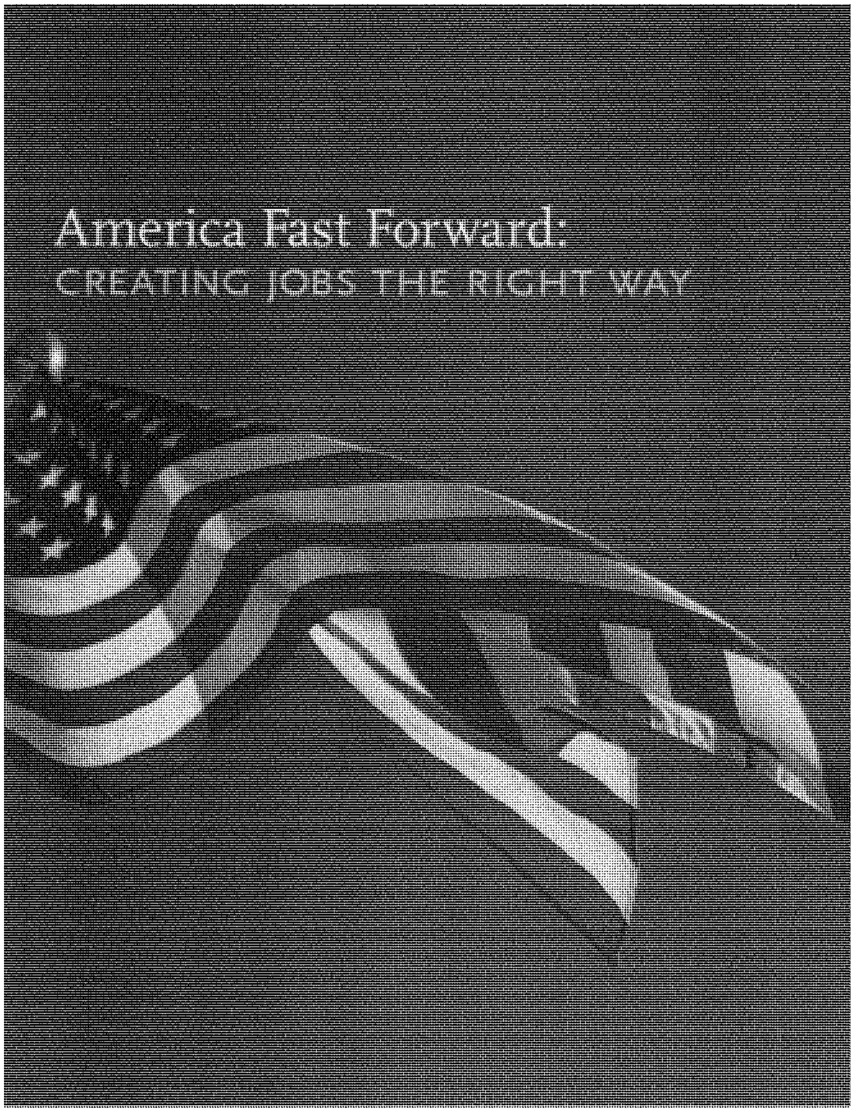
The provision would authorize the Secretary of Transportation to make upfront conditional credit commitments for certain "mega public transportation projects" that will be phased in over a period of several years by means of a master credit agreement. The master credit agreement would conditionally commit the Secretary to providing one or more future loans or other federal credit instruments for eligible projects upon the satisfaction of necessary requirements, including the federal planning and programming requirements and the final environmental approvals under the National Environmental Policy Act. Furthermore, the Secretary could enter into a master credit agreement only if dedicated revenue sources for repayment have been identified.

The use of a master credit agreement facilitates major initiatives by providing public and private funding partners with assurance that federal financing assistance will be made available when needed, subject to funding availability and other conditions. The provision would authorize the Secretary of Transportation to further mitigate financing risk for major initiatives by offering limited interest rate subsidies. The TIFIA loan interest rate, which is a key feature of the financial plan, might rise significantly between the date of the master credit agreement and the execution of the underlying loan agreement. Since such a rise would negatively impact the project financial plan, the U.S. Department of Transportation could "buy down" the then-higher interest rate, using the interest rate that prevailed at the time of the master credit agreement as a benchmark.

The maximum amount of credit assistance that could be provided by the Secretary to an eligible project would be increased from 33 percent of eligible project costs to 49 percent. The TIFIA program's annual level of budget authority available to fund the subsidy costs of credit instruments would be increased from $122 million (authorized under SAFETEA-LU, as extended) to at least $375 million. The annual amount of funding available for program administration would be increased from $2.2 million to $5.0 million.



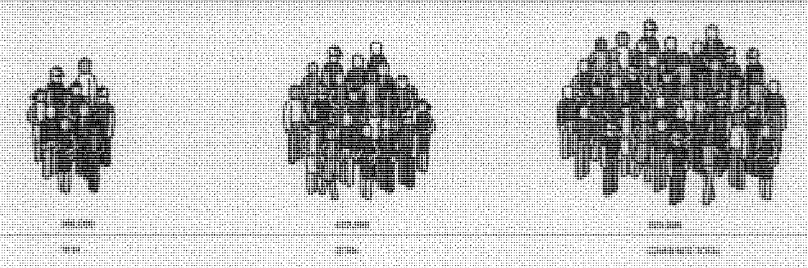
Metro


America Fast Forward:
CREATING JOBS THE RIGHT WAY

AMERICA FAST FORWARD WILL:

- **create jobs right now** by empowering local communities
- **support** tens of thousands of Main Street American businesses in a new and innovative way
- ***leverage private capital*** to create one million private sector infrastructure jobs nationwide
- ***create quality private sector jobs*** – not through the traditional route of the federal government providing taxpayer funded grants that flow through a variety of entities – but ***by empowering local communities*** with forward-looking financing tools that will allow them to focus their own communities resources directly on the priorities that will best lead to real job creation right now
- ***empower local communities*** not only to make decisions about what is best for them when it comes to jobs – but in a way that ***does not add to the nation's budget problems***

America Fast Forward: Creating Jobs The Right Way



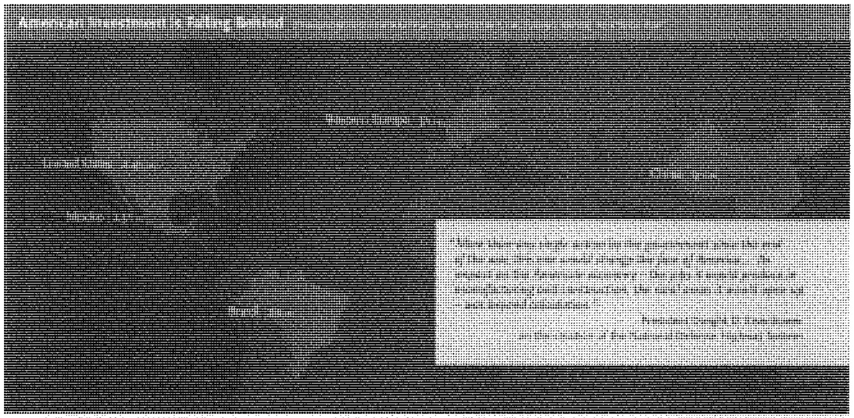
AMERICA FAST FORWARD CORE PRINCIPLES:

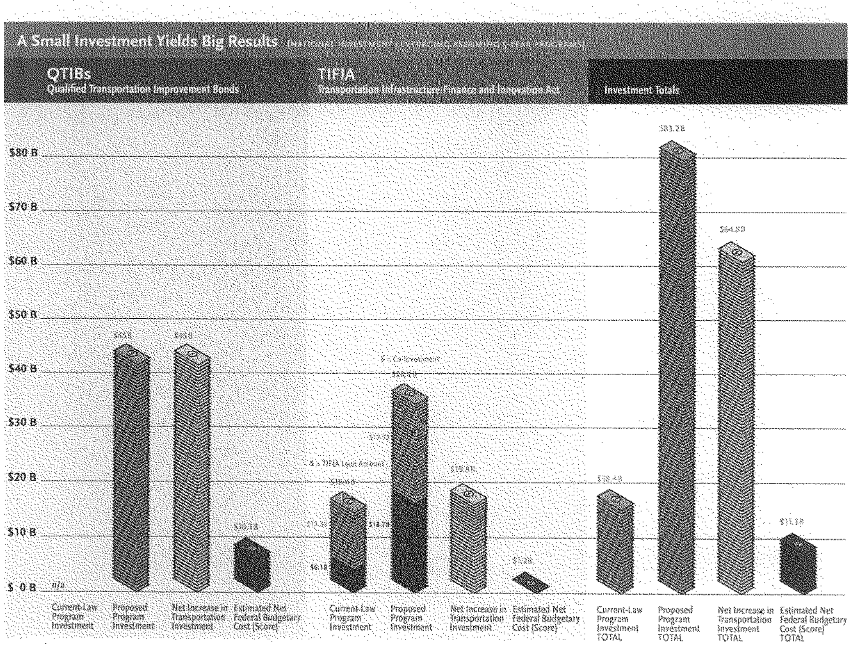
1 **AMERICA FAST FORWARD** allows communities to issue *America Fast Forward Job Bonds* for local jobs initiatives with a tax credit in order to secure favorable financing terms so that as large a percentage of public resources are in fact directly supporting ***immediate private sector job creation at the local level.***

2 **AMERICA FAST FORWARD** ***will not harm the federal budget*** as the federal government will leverage locally-based and dedicated funding streams to guarantee that federal taxpayers are made whole for any credit that is provided.

3 **AMERICA FAST FORWARD** provides loans and bonds in instances where there is ***real accountability*** in terms of a specifically identified initiative that will result in quality private sector jobs and economic investments.

4 **AMERICA FAST FORWARD** ***empowers local communities*** by giving them the decision-making authority when it comes to identifying what jobs initiatives will best serve the priorities of their communities.


American Investment is Falling Behind


A Small Investment Yields Big Results
QTIBs
Qualified Transportation Improvement Bonds
TIFIA
Transportation Infrastructure Finance and Innovation Act
Investment Totals
$80 B
$70 B
$60 B
$50 B
$40 B
$30 B
$20 B
$10 B
$ 0 B
n/a
$83.2B
$64.8B
$19.8B
$1.2B
$6.1B
Current-Law Program Investment
Proposed Program Investment
Net Increase in Transportation Investment
Estimated Net Federal Budgetary Cost (Score)
Current-Law Program Investment
Proposed Program Investment
Net Increase in Transportation Investment
Estimated Net Federal Budgetary Cost (Score)
Current-Law Program Investment TOTAL
Proposed Program Investment TOTAL
Net Increase in Transportation Investment TOTAL
Estimated Net Federal Budgetary Cost (Score) TOTAL

A New Era of Investment Must Begin Now

Congressionally-appointed national commissions, professional engineering organizations, academic think tanks, and national business groups have all documented the national imperative for a new era of federal investment in transportation infrastructure.

A new era of federal financing of critical transportation infrastructure must take place within the context of fiscal and budget realities confronting both the Administration and Congress. These fiscal realities require smart, targeted, and innovative financing mechanisms that achieve two national priorities: minimize impacts on the federal budget and maximize the generation of new jobs, particularly in the small business sector. A new federal financing approach, leveraging transportation projects at the state and local levels can achieve both of these priorities. This is the innovative thinking behind *America Fast Forward*.

The *America Fast Forward* Plan would support the creation of a 21st Century national surface transportation system. The Plan contains two federal innovative and proven investment methods: tax code incentives and credit assistance.

The specific legislative proposal are: (1) Qualified Transportation Improvement Bonds; and (2) Enhanced Transportation Infrastructure Finance and Innovation Act Program.

America Fast Forward offers economic revitalization by stimulating infrastructure, investment to create jobs and aggressively renewing aging surface transportation system;

> Job Creation
> Cost Savings
> Project Acceleration
> Economic Development
> Infrastructure Improvements
> Resource Maximization

Millions of Jobs, Billions in Return

Experts tell us that investments in transportation infrastructure – both through employment and purchases moving through the economy – generate more than $244 billion in total annual U.S. economic activity, nearly two percent of the nation's Gross Domestic Product (GDP). This is larger than the annual GDP of Portugal ($232 billion), Israel ($205 billion), or New Zealand ($117 billion). Investment in transportation can assist in addressing the existing federal fiscal realities by producing new revenues. For example, transportation construction activity alone in the U.S. generates $159.3 billion annually in direct and induced American wages, contributing an estimated $13.1 billion each year in state and federal payroll tax revenue. There are also "dependent" industries in the U.S., which rely on transportation related activities. These industries are the source of more than 78 million American jobs, with a total payroll in excess of $2.8 trillion, and their employees contribute more than $235 billion annually in state and federal payroll taxes.

Smarter Thinking, Better Tools

The federal government has four types of broad policy tools it can use to stimulate infrastructure investment: grants, regulatory streamlining, credit assistance and tax code incentives. Grant funding has been the traditional federal tool for surface transportation, but new fiscal realities and the magnitude of the nation's transportation investment needs far exceed available resources. Regulatory reforms generally have modest fiscal impacts, and can be helpful in streamlining project delivery. However, they may not be adequate to stimulate major capital investment in and of themselves. But credit assistance and tax code incentives, when used as innovative project finance tools, promote two important federal policy objectives: (a) stimulating investment through leveraging pledged state and local revenue streams or user charges; and (b), limiting budgetary costs.

How to Accelerate Capital Investment

Larger projects with major public benefits often have capital requirements exceeding currently available resources. The most effective way to accelerate the capital investment is through external financing repayable with future expected revenues. Credit and tax code incentives can help drive down the cost of borrowing below conventional levels, thereby maximizing the amount of investment that can be supported by any given revenue stream. Issuing bonds allows raising the capital today to take advantage of current favorable construction prices, generating immediate jobs and bringing improvements online much sooner, along with the associated economic and social benefits. At the same time, long- term financing equitably spreads the cost between current and future beneficiaries, through annual lease or debt service payments.

Satisfying the Needs of Stakeholders

In order to be successful, any federal project-financing proposal must address the requirements of three principal stakeholder groups. First, from the perspective of the project sponsor (which could be a State, City, public authority or public-private partnership), the new tool has to represent a cost-effective source of capital, compared to other existing approaches. Second, from the perspective of the investors (which could be public entities, like state infrastructure banks and public pension funds, or private entities, such as individual investors and financial institutions), the financing tool must offer a competitive risk-adjusted rate of return. And finally, from the perspective of the federal government, the tool has to be both fiscally affordable and consistent with public policy objectives.

America Fast Forward Hits the Mark

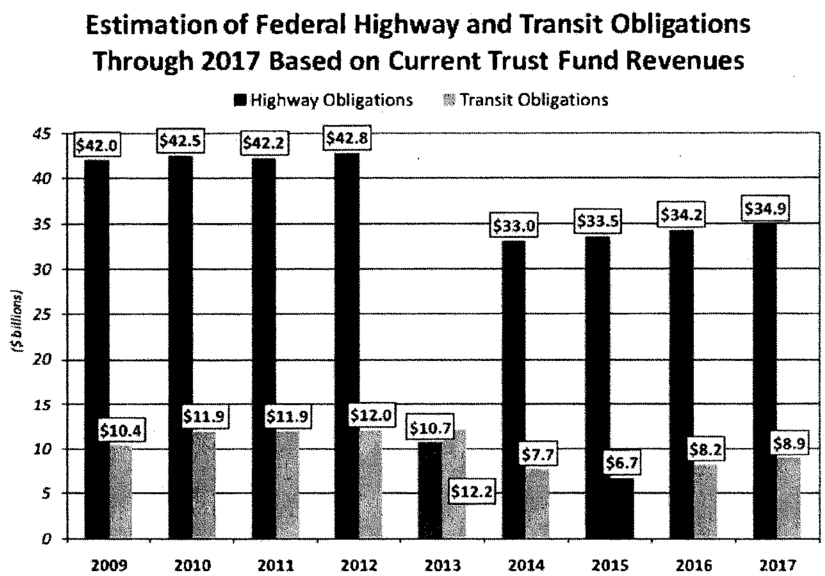
In an era of limited budgetary resources, federal policy tools that draw upon credit and tax incentives can play an important role in advancing major transportation investments. With unprecedented demand for existing federal grant programs, the fractional budget scoring of the TIFIA credit assistance and QTIB's offers a fiscally-sound approach to moving America forward – *America Fast Forward*.

America Fast Forward
Proposed Federal Financing Tools
To Stimulate Transportation Infrastructure Investment

March 9, 2011

The Problem: Trust Fund Eroded by Flat Fuel Taxes and Increases are Off-the-Table

Highway Trust Fund (HTF) revenues have been declining because fuel tax revenues are flat. Per-gallon taxes do not keep pace with any measure of mobility: Population, inflation, and especially vehicle miles all grow faster than the consumption of increasingly costly fuel. In fact, the Congressional Budget Office has projected that the HTF's Highway Account could run dry in Fiscal Year 2012 and the Transit Account will run dry in Fiscal Year 2013. The following graph illustrates the projected decline in Federal highway and transit obligations through 2017 based on current HTF revenues with no General Fund relief.



Source: American Association of State Highway and Transportation Officials, 2011 (AASHTO)

This nationwide infrastructure investment gap has become a big and growing problem with dire consequences. In the short-term, this problem will contribute to unemployment and a sluggish economy. In the long-term, economic growth, competitiveness, and overall quality of life will suffer. Since fuel tax increases appear to be politically unrealistic for the foreseeable future, we propose a creative way to employ private capital investment for targeted mobility needs.

Solution: Federal Financing Support to Leverage Local Funding

While we wait for policy makers to decide how to address the fundamental problem of lack of revenues for infrastructure investment, there are short/medium-term financing initiatives that could help significantly and would not be budget busters --> the sorts of credit and tax incentives proposed herein.

The federal government has various policy tools at its disposal to encourage investment in targeted sectors. These include:

- Direct grants to reimburse capital costs;
- Credit assistance in the form of loans and guarantees;
- Regulatory reforms to accelerate development and reduce costs; and
- Tax incentives to reduce borrowing costs.

Together, these tools can be used to design a balanced strategy for advancing major infrastructure investments.

This policy brief outlines the two federal policy tools that could be used to maximize the leveraging of local revenues:

A. a new tax-preferred bonding program for surface transportation (Qualified Transportation Improvement Bonds, or QTIBS);and

B. an enhanced Transportation Infrastructure Finance and Innovation Act (TIFIA) federal credit assistance program.

These financing tools will *not* replace the existing federal assistance program structure for state and local project sponsors. Rather, making them available should incentivize jurisdictions that are willing to impose fees and taxes on themselves in order to undertake *transformational* investments. In this way, the federal government can encourage significant state and local investment in sustainable transportation solutions while limiting the federal budgetary commitment.

The following pages provide a table summary and general explanation for both QTIBs and TIFIA.

A. General Explanation of Qualified Transportation Improvement Bonds (QTIBs) Proposal

EXECUTIVE SUMMARY

Provision	Rationale
1. Amend section 54 of the Internal Revenue Code to establish a new category of qualified tax credit bonds for surface transportation – called "Qualified Transportation Improvement Bonds" (QTIBs).	Would create a sixth class of tax-preferred bonds called qualified tax credit bonds specifically designed to stimulate greater investment in surface transportation infrastructure projects. By subsidizing most or all of the interest cost of infrastructure bonds, the federal government can more than double the amount of investment generated by local and state revenue streams.
2. Authorize the issuance of $45 billion of QTIBs by state and local governments sponsoring eligible projects over a 10-year period.	A national program of $45 billion would: (1) Be a meaningful supplement to the existing federal programs supported by the Highway Trust Fund; and (2) Be phased in over 10 years ($4.5 billion per year) in order to meet the funding needs of multi-year capital programs and cushion the budgetary impact of the tax credits. The estimated scored budget cost of the national program is about $10 billion (net tax expenditures over the 10-year budget window).
3. Authorize the Secretary of Transportation to allocate 65 percent of the total issuance volume to sponsors of certain large public transportation projects.	The Secretary of Transportation would allocate 65 percent of the volume cap ($29.25 billion over 10 years) to "mega projects" that meet certain national investment policy goals, cost at least [$1 billion], and receive not more than [30 percent] of their capital funding from federal grants.

Provision	Rationale
4. Direct the Secretary of Transportation to allocate the remaining 35 percent of the total issuance volume to the states by formula.	The Secretary would allocate the remaining 35 percent of the volume cap to the states by formula. The states would select eligible projects to benefit from the federal subsidy. The projects could be any surface transportation capital investment costing at least $10 million and otherwise eligible for assistance under either title 23 or chapter 53 of title 49. Of the $15.75 billion allocated over 10 years for these purposes, half would be allocated to all the states according to their share of the national population and half would be allocated to "low density" states according to their share of the total population of all low density states (those states with a population density less than the national average of 87 persons per square mile).
5. Authorize QTIBs to have a maximum maturity equal to the lesser of 35 years or that term which would result in the discounted present value of the bonds equaling 20 percent of the maturity value.	Because of the long-term nature of transportation assets and their extensive public benefits, this provision would enable QTIBs to have a longer final maturity date than existing qualified tax credit bonds for other purposes. The longer the maturity, the greater is the effective federal subsidy. However, the final maturity date could not exceed the lesser of 35 years or such shorter term resulting in an effective non-federal share (equal to the present value of the bond principal) of 20 percent.
6. Authorize the issuers of QTIBs to elect to receive refundable tax credits that they can present to the Treasury for cash reimbursements.	Allowing the state and local issuers of QTIBs to present refundable credits to the Treasury for cash allows the bonds to be sold to investors as taxable interest-bearing obligations, greatly enhancing their marketability over bonds paying investors interest in the form of tax credits. This refundable credit "direct pay" mode was authorized by Congress in 2010 for most of the tax credit bond programs. It allowed the bonds to be sold at a lower required return to the investor, achieving a greater investment effect for the tax credit cost.

General Explanation QTIBs: Detailed Description

This proposal calls for the creation of a new category of qualified tax credit bonds – called Qualified Transportation Improvement Bonds (QTIBs) – as follows:

1. Amend section 54 of the Internal Revenue Code to establish a new category of qualified tax credit bonds for surface transportation. This provision would create a new class of qualified tax credit bonds, called "Qualified Transportation Improvement Bonds" (QTIBs). Qualified tax credit bonds are taxable rate bonds issued by state, local or other eligible issuers where the federal government subsidizes most or all of the interest cost through granting investors annual tax credits in lieu of cash interest payments from the borrower. Qualified tax credit bonds differ from other federally-subsidized bonds such as Build America Bonds in several important respects:

- The permitted purposes are more narrowly defined;
- The issuance volume is legislatively capped;
- The maximum interest rate subsidy is set daily by the U.S. Treasury; and
- The maximum term of the bonds is set monthly by the U.S. Treasury.

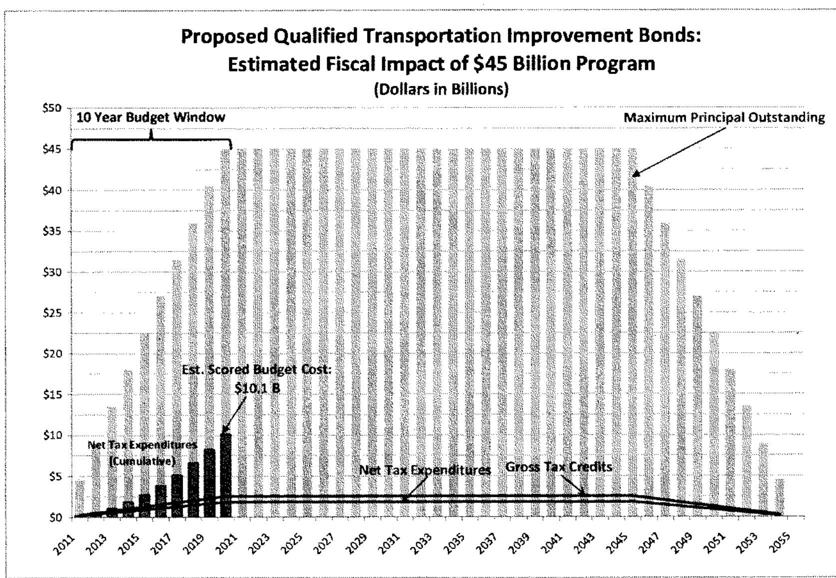
Congress to date has authorized qualified tax credit bond programs totaling in excess of $36 billion for forestry conservation, renewable energy projects, energy conservation, qualified zone academies and new school construction. QTIBs would represent a sixth class of such bonds, targeted at surface transportation capital projects.

2. Authorize the issuance of $45 billion of QTIBs by state and local governments sponsoring eligible projects over a 10-year period. QTIBs would be authorized in the amount of $4.5 billion per year over a 10-year period, or $45 billion in total, as shown in the table below. Unissued amounts could be carried forward to future years. The estimated scored budget cost derives from the net federal tax expenditures (foregone receipts) associated with the annual tax credits. Over the 10-year budget window, that budget impact is estimated to total just over $10 billion assuming the issuance of $45 billion of QTIBs according to the schedule shown.[1]

FFY	Max. Cumulative QTIBs Outstanding	Net Fed Tax Expenditures (Annual Score)	FFY	Max. Cumulative QTIBs Outstanding	Net Fed Tax Expenditures (Annual Score)
2011	$4.5 billion	$0.2 billion	2016	$27.0 billion	$1.1 billion
2012	$9.0 billion	$0.4 billion	2017	$31.5 billion	$1.3 billion
2013	$13.5 billion	$0.6 billion	2018	$36.0 billion	$1.5 billion
2014	$18.0 billion	$0.7 billion	2019	$40.5 billion	$1.7 billion
2015	$22.5 billion	$0.9 billion	2020	$45.0 billion	$1.8 billion

[1] In addition to assumptions about the pace of bond issues and redemptions, the estimated net tax expenditures depend on the tax credit rate and the average marginal tax rate of bond investors.

The chart below illustrates the fiscal impact of the program proposal, including the derivation of the estimated scored budget cost.



- The orange bars show the outstanding principal amount of QTIBs, assuming the maximum amount of bonds authorized each year ($4.5 billion) is issued over the 10-year authorization period (2011-2020). The outstanding principal amount would grow by $4.5 billion each year, leveling off at $45 billion upon the issuance of the bonds authorized for 2020. The bonds would have a maximum term of 35 years, meaning that they would be retired during the 2046-2055 time period.
- The blue line shows the gross tax credits paid out by the Treasury over the life of the bonds. This annual amount is determined by multiplying the tax credit rate by the outstanding principal amount of bonds. In this example, the annual gross tax credits peak at $2.55 billion per year when the outstanding principal amount of bonds reaches $45 billion (assuming a 5.67% interest or tax credit rate on the bonds in this example).
- The red line shows the net tax credits paid out by the Treasury. These payments equal the gross tax credits minus the federal taxes realized by the government because the tax credits received by the bondholders are treated as taxable interest income (the QTIBs are taxable bonds). This "net tax expenditures" line represents the net effect on federal revenues of the QTIBs. In this example, the average

marginal tax rate of the bondholders is assumed to be 28%, meaning that the net tax expenditures are 72% of the gross tax credits, peaking at $1.84 billion per year during the 2020-2045 time period.

- The estimated budget cost of the QTIBs program proposal is represented by the pink bars. They show the cumulative net tax expenditures over the 10-year budget window. This estimated scored cost of the national program is $10.1 billion.

3. Authorize the Secretary of Transportation to allocate 65 percent of the total issuance volume to sponsors of certain large public transportation projects. The Secretary of Transportation would allocate 65 percent of the volume cap ($29.25 billion over 10 years) for public transportation "mega projects" with significant regional and national benefits that:

- Promote safety, economic competitiveness, livability and environmental sustainability;
- Have capital costs of at least [$1 billion]; and
- Receive not more than [30 percent] of their funding from federal grants under title 23 or chapter 53 of title 49.

By providing these major projects with tax subsidies, the federal government can leverage state, local and private resources to undertake *transformational* investments while spreading out the fiscal impact over a longer time period commensurate with asset lives and public benefits.

4. Direct the Secretary of Transportation to allocate the remaining 35 percent of the total issuance volume to the states by formula. The remaining 35 percent of the national volume cap would be used to finance any highway or transit capital project eligible under title 23 or chapter 53 of title 49 having a cost of $10 million or more (qualified transportation improvement projects). Half of this volume would be allocated among the states based on their share of the nation's population. The other half would be allocated according to the share of aggregate population among those states having a population density not greater than the national average of 87 persons per square mile. Each state would select the projects to receive volume allocation from its portion of the 35 percent formula distributions.

Summary of Proposed Allocation of QTIBS
($ in billions)

Discretionary Allocation—Mega Projects	$ 29.250	65.0%
Formula Allocation by Population—All States	$ 7.875	17.5%
Formula Allocation by Population—Low Density States	$ 7.875	17.5%
Total	**$ 45.000**	**100.0%**

5. Authorize QTIBs to have a maximum maturity equal to the lesser of 35 years or that term which would result in the discounted present value of the bonds equaling 20 percent of the maturity value. Consistent with the existing qualified tax credit bond programs, the Treasury Department would set the maximum reimbursable rate for the bonds marketed each day such that the bonds can be sold at their face (par) amount, without interest cost to the issuer. Every month, the Treasury would establish the maximum permitted final maturity that would result in the discounted present value of the bonds equaling 20 percent of the maturity value (i.e., an effective 80 percent federal share, consistent with other federal surface transportation assistance programs) – provided that in no case would the bond maturity extend beyond 35 years. While this is a deeper federal subsidy than the 50 percent level for other types of qualified tax credit bonds, it is justifiable based on the long-lived nature of transportation infrastructure investments and their substantial public benefits.

6. Authorize the issuers of QTIBs to elect to receive refundable tax credits that they can present to the Treasury for cash reimbursements. In 2010 Congress authorized issuers of most types of tax credit bonds to elect to receive refundable tax credits that they could present to the Treasury Department for cash. This feature allows the bonds to be sold to investors as taxable interest-bearing obligations, substantially enhancing their marketability over bonds paying investors interest in the form of tax credits. The refundable credits allowed the bonds to be sold at yields 1% to2% lower than bonds with non-refundable credits.

Non-Refundable Tax Credits

A non-refundable tax credit may only be applied by the recipient (bond investor) against federal income taxes and certain other federal tax liability. For a long-term investment like a bond, the investor faces substantial tax uncertainty in future years. If the investor does not have taxable income, the credit has no current value, although it may be carried forward to a later year. Non-taxable investors would have no demand for this product. While tax credits may be stripped from the underlying bonds and marketed separately, today there is no established market for such tax credit strips. For these reasons, the market is *extremely limited* for non-refundable tax credit bonds, and there is virtually no secondary market (no liquidity). Market data point this out: Under the largest existing tax credit bond program ($22 billion authorized for Qualified School Construction Bonds, or QSCBs), only 20 percent of the 2009 authorized volume was sold in the first 12 months.

Refundable Tax Credits

Refundable tax credits may be presented by the recipient to the Treasury for cash, eliminating the tax risk to the investor. Under a refundable tax credit bond, the issuer sells the bonds as standard interest-bearing taxable-rate obligations, and the *issuer* (rather than the investor) is entitled to receive a cash rebate from the Treasury. This simplifies the marketing process and opens up enormous sources of capital from institutional investors who pay little or no federal income tax, including pension funds, endowments, life insurance companies, and foreign investors. The Hiring Incentives to Restore Employment (HIRE) Act of 2010 allowed some $30 billion of school construction, qualified academy, clean renewable energy and energy conservation tax credit bonds to be issued with *refundable* credits.

Federal Interest Subsidy & Tax Credit Refundability

For qualified tax credit bonds, the Treasury sets a daily rate for its interest rate subsidy for bonds priced that day. The index level is supposed to allow issuers to borrow without interest cost. The current rate is approximately 5.4 percent.[2] The *actual* yield required to attract an investor may be higher or lower than the Treasury index, depending on credit, liquidity and other factors. If higher, the issuer typically pays a "supplemental coupon" of cash to augment the Treasury reimbursable rate. If lower, the Treasury reduces its subsidy rate for that issuer to the market yield. There was a dramatic impact on required investor returns on Qualified School Construction Bonds when Congress, through the HIRE Act of 2010, converted most of the qualified tax credits from non-refundable to refundable. On average, making the credits refundable saved issuers 110 basis points (1.1%), and sometimes as much as 2% to 3%, in annual interest cost compared with the yield required for non-refundable credits. Two and a half times the dollar volume of bonds was sold post-HIRE ($6.0 billion) vs. pre-HIRE ($2.4 billion) over similar time periods, reflecting in large part the improved marketability of the bonds. For the $6.0 billion of post-HIRE QSCBs sold thus far by 402 school districts, making the credits refundable is saving approximately $1.1 billion in unnecessary interest expense over the life of the bonds.

Implications for the QTIB Program

Refundable tax credits will be important—perhaps essential—for efficient execution of a large new tax credit bond program. It opens up the market for huge institutional buyers, like CalPERs and TIAA-CREF. Making QTIB tax credits refundable should not produce a materially-higher scored cost due to an "acceleration effect" (as was calculated for the HIRE Act tax credit conversions) since the proposed QTIBs issuance schedule is extended (and tax expenditures are deferred) by authorizing only 10 percent of the total bond volume to be issued each year. Even *with* refundable credits, the federal index for reimbursement rates still has covered only 92 percent of the average interest cost, rather than 100 percent

[2] The Treasury-set QTCB rate as of 3-9-11 was 5.38%.

as Congress intended. If legislation were to require the use of non-refundable tax credits, there are three possible outcomes:

- The Treasury index could be adjusted to a higher yield to properly reflect the market clearing rate for less liquid non-refundable tax credits (this could increase the scored cost by about 25 percent);
- A centralized nationwide conduit issuer of tax credit bonds could be established to help create a secondary market for the non-refundable tax credits, thereby improving liquidity and reducing the required yield; or
- The issuers of bonds with non-refundable tax credits could be forced to pay supplemental coupons, which would significantly diminish the financial benefit of the tax subsidy to project sponsors.

B. General Explanation Transportation Infrastructure Finance and Innovation Act (TIFIA) Proposal

EXECUTIVE SUMMARY

Provision	Rationale
1. Increase program funding from $122 million (SAFETEA-LU authorization) to at least $375 million per year.	Would allow TIFIA to expand from ~$1.2 billion to ~$3.75 billion/year of loans, responding to heightened demand for program assistance. Additional funding would better support partial interest rate subsidies (as described in #5 below).
2. Increase the maximum TIFIA share from 33% to 49%.	Given continuing uncertainty in the tax-exempt bond market, would allow TIFIA to fund a greater share of project costs – provided the TIFIA loan achieved an investment grade rating (BBB rating category or higher) and was backed by a senior lien on pledged revenues.
3. Broaden eligibility to include *programs* of related projects.	Would extend to all eligible surface modes the current provision for freight / intermodal connector projects, allowing the general $50 million size threshold to be met through a portfolio of projects backed by a common security pledge.
4. Authorize DOT to make upfront "Master Credit Agreements" for larger projects and programs.	Would make TIFIA assistance more predictable for larger, multi-year phased capital programs by giving an upfront conditional commitment (through a Master Credit Agreement), with actual loan funding subject to satisfaction of all necessary federal requirements (such as credit rating, environmental approval, etc.). Qualifying projects also would need to meet certain criteria, including receiving not more than [30 percent] of funding from federal grants and having a minimize size of [$1 billion].

Provision	Rationale
5. **Authorize DOT to offer a *limited* interest rate hedge for Master Credit Agreements.**	Would cushion the financing risk for projects receiving an upfront conditional commitment (as described in #4 above) resulting from rising interest rates between the dates of executing the Master Credit Agreement and finalizing the underlying loan agreement(s). This would be accomplished by allowing DOT to use [25 percent] of TIFIA annual funding to buy down the prevailing interest rate in such circumstances by up to [1.0] percent.
6. **Eliminate the "Springing Lien" for certain types of secured loans.**	Would allow investment grade TIFIA loans to be truly subordinate where they are payable from pledged revenues not affected by project performance, such as local/regional taxes or system revenues. Such fully subordinate loans would have to receive an investment grade rating and be capped at 33 percent of project costs.

General Explanation of TIFIA Proposal: Detailed Description

This proposal would amend chapter 6 of title 23, United States Code, to modify the Transportation Infrastructure Finance and Innovation Act (TIFIA) program as follows:

1. Increase annual funding from $122 million (SAFETEA-LU authorization) to at least $375 million.[3] This responds to expressed demand for TIFIA assistance and enables DOT to provide greater financing assistance to a larger volume of major projects. The $375 million subsidy funding level could support annual credit commitments (face amount of loans) totaling approximately $3.75 billion, assuming an average program subsidy rate of 10 percent. It is assumed that most loans would continue to be made at the Treasury rate (with no interest rate subsidy and a 10 percent average credit risk subsidy, as occurs today). However, if Congress authorized the use of limited interest rate subsidies for certain projects, as described below under item #5, then the average subsidy rate would be somewhat higher – perhaps in the 15 to 20 percent range. In that case, unless Congress also approved even greater annual funding, the supportable loan level might be limited to $2.0-2.5 billion.

2. Increase the maximum TIFIA share of project financing from 33 percent to 49 percent. Increasing the TIFIA share would help more projects achieve financial feasibility. As long as project reliance on federal grant funding is minimal (e.g., below 30 percent), TIFIA assistance still would generate considerable private and other non-federal co-investment. Any loan greater than 33 percent of eligible project costs would need to have a senior (rather than subordinate) lien on project revenues, and should be investment grade (rated BBB- or higher).

3. Broaden eligibility generally to include *programs* of related projects otherwise eligible. This would put other TIFIA-eligible surface projects on a similar footing as freight-related intermodal projects, for which eligibility was broadened under SAFETEA-LU to include a *series of related projects*. Specifically, this provision would explicitly extend TIFIA eligibility to multi-project capital improvement / renewal programs involving major reconstruction and/or rehabilitation that improve system performance by supporting a state of good repair.

4. Authorize DOT to make upfront contingent credit commitments for certain large projects or programs of related projects. The TIFIA program offers financing secured by revenues generated by or dedicated to individual projects. Under current law, before the execution of an agreement that commits credit assistance, a project sponsor must receive its final environmental approvals, have detailed cost estimates pursuant to a substantial

[3] By way of comparison, the National Surface Transportation Infrastructure Financing Commission recommended in its report to Congress increasing annual TIFIA subsidy funding to $300 million per year, while the President's FY 2012 Budget proposes annual subsidy funding of $650 million to fund surface transportation loans ($450 million for TIFIA and $200 million for the National Infrastructure Bank).

level of design / engineering work or an executed construction agreement, and have a complete plan of finance with all other financial commitments in place. This provision would authorize DOT to make upfront contingent credit commitments for certain large projects or programs of related projects that will be phased in over a period of several years, by means of a *Master Credit Agreement*. This provision would be limited to that subset of TIFIA eligible projects that satisfy certain more rigorous criteria, described below.

The Master Credit Agreement would mitigate financing risk for such large initiatives by committing DOT to providing one or more future loans or other federal credit instruments for eligible projects, subject to satisfaction of necessary federal requirements and availability of future program funding. Actual loan draws under the Master Credit Agreement would be contingent upon the recipient project(s) meeting all relevant federal requirements, including the federal planning and programming requirements and the final environmental approvals under the National Environmental Policy Act. Furthermore, DOT could enter into a Master Credit Agreement only if dedicated revenue sources have received any necessary state or local approvals and can be committed to the eligible projects.

In order to qualify for an upfront contingent credit commitment, a project or program of related projects must:

(a) Be a [public transportation capital] project or program that significantly enhances safety, economic competitiveness, livability and environmental sustainability;

(b) Receive not more than [30 percent] of its funding for capital costs from federal highway or transit capital grants (made available under title 23 or chapter 53 of title 49); and

(c) Have total eligible project costs that equal or exceed [$1 billion].

In this way, the Master Credit Agreement will be targeted to that subset of TIFIA-eligible projects and programs with the greatest scope and complexity.

5. Authorize DOT to offer a *limited* interest rate hedge to a project sponsor receiving an upfront contingent credit commitment. The use of a Master Credit Agreement, as described under item #4 above, is intended to facilitate the financing of major initiatives with very large public benefits that must be phased in over a period of years. Authorizing DOT to make contingent commitments for phased programs mitigates selection risk in future years, and provides public and private funding partners with assurance that federal financing assistance will be made available when needed, subject to funding availability and other conditions.

This provision authorizes DOT to further mitigate financing risk for such large initiatives by offering limited interest rate subsidies. Although DOT could provide an upfront contingent commitment through a Master Credit Agreement under this proposal, it cannot execute an underlying loan agreement and lock in the loan interest rate until the recipient project(s) has met all federal requirements, including receipt of a final NEPA decision. The TIFIA loan interest rate, which is a key feature of the financial plan, might rise significantly between the date of the Master Credit Agreement and the execution of the underlying loan agreement. Since such a rise would negatively impact the project financial plan, DOT could "buy down" the then-higher interest rate, using the interest rate that prevailed at the time of the Master Credit Agreement as a benchmark. In order to ensure that this interest rate hedge is used sparingly and does not crowd out DOT's ability to fund other project loans, the provision could be capped. For example, Congress could specify that not more than [25 percent] of the TIFIA program funding be used for this purpose and establish a maximum interest rate subsidy (e.g., authorize DOT to subsidize the interest rate up to 100 basis points, or one percentage point, below the prevailing Treasury rate at the time the loan agreement is executed and funds are obligated).

6. Authorize DOT to provide a loan with a fully subordinate lien on pledged revenues if certain conditions are met. Currently, DOT may make "functionally subordinate" TIFIA loans with a secondary or junior claim on pledged revenues, thereby enhancing the credit quality of senior debt obligations and facilitating their access to the capital markets. But such TIFIA loans must "spring" to parity with the senior debt if there is a bankruptcy-related event (default leading to bankruptcy, insolvency or liquidation). This non-subordination or "springing lien" provision was intended to reduce the likelihood of federal losses associated with project financings backed by relatively risky project-based repayment sources or other features leading to lower credit ratings (e.g., start-up toll roads).

However, it also has made it problematic for governmental borrowers with ongoing capital programs and outstanding senior bonds to take advantage of the TIFIA program's flexible payment features. This is because it frequently is very difficult or impossible to work a junior TIFIA loan with a springing lien into an existing bond indenture. Having to issue a TIFIA loan on the senior lien instead, on parity with other senior bondholders, significantly reduces the value of the TIFIA financing subsidy.

This provision would authorize DOT to make a fully subordinate TIFIA loan to a governmental borrower with a *tax-backed* revenue pledge or a *system-backed* pledge of project revenues that enables the TIFIA loan to achieve an investment grade rating. In addition, the fully subordinate TIFIA loan could not exceed 33 percent of total eligible project costs. The non-subordination or "springing lien" provision would remain for other projects and credit structures.

Ms. CHU. In 2009, LA County approved a 30-year transportation plan that aims to build 12 transit projects connecting millions of people across the Nation's largest county. LA County residents approved a half-cent sales tax to build them. That's right. During a recession, residents actually agreed to tax themselves more. Our region desperately needs this investment, and I am so proud that Angelenos were ready and willing to pay for it.

But our air is too polluted and our roads too congested to wait 3 decades for a real 21st-century transportation system. Instead, we want to do it in just 10 years. We want to leverage our local dollars and stretch the Federal transportation dollars coming out of the U.S. Department of Transportation's budget. And with the Federal Government's help to augment this serious investment in local transportation, together we can create nearly 1 million annual private sector jobs in just a decade.

How do we do this? By enhancing the Transportation Infrastructure Finance and Innovation Act, TIFIA, through reforming six provisions. First, increasing the annual funding from $122 million to over $500 million, annually. Second, increasing the maximum TIFIA share from 33 percent to 49 percent. Third, broadening eligibility to include programs-related projects, not just one project per TIFIA loan. Fourth, authorizing the U.S. Department of Transportation to make up-front master credit agreements for larger projects and programs. Fifth, to authorize the Transportation Department to offer limited interest rate hedge for master credit agreements. And last, to eliminate the springing lien for certain types of loans.

But that is not all. The surface transportation bill should also create a new class of qualified tax credit bonds called qualified transportation improvement bonds. These qualified tax credit bonds are taxable rate bonds issued by State, local, or other eligible issuers. The Federal Government would subsidize the interest cost by granting investors annual tax credits in lieu of interest. These bonds would be authorized in the amount of $4.5 billion per year over the next 10 years. This would allow issuers to finance more than twice the dollar value of capital improvements than is possible with traditional tax-exempt bonds, stimulating greater investment and taking pressure off of conventional Federal grant programs.

But southern California's transportation challenges are more than just about roads and transit. The region handles more than 40 percent of our Nation's shipping containers, three-quarters of which leave destined for markets outside the area. And many of these goods travel on freight rail right through my district, creating congestion and safety hazards for my constituents.

Now our State and communities have made significant local investments in making local grade separation safer, particularly through the Alameda Corridor East project in the San Gabriel Valley. These investments allow trains to go faster through the corridor, getting these goods out to the rest of the Nation more quickly, and also saving lives.

But we need Federal help to finish the project. The surface transportation bill should create a national freight infrastructure investment program for designated freight corridors and gateways to provide funding for freight projects. This program should prioritize nationally significant projects and their impact on interstate and foreign commerce. And efficiency and environmental impact should be considered.

Port authorities and municipalities and units of local government should be able to receive these grants and funding projects through to completion, similar to a full-funding grant agreement for transit projects. These changes would strengthen long-term economic recovery by supporting the more efficient movement of American exports and imports, and create jobs.

Now, let me be clear. This is not just about Los Angeles. It is about making our Federal tax dollars stretch further. And this type of a reform will encourage other areas to follow in our footsteps. Let us make sure we get the most bang for our buck. I urge you to include these proposals in any draft legislation.

Mr. DUNCAN. Well, thank you very much, Ms. Chu. A very fine testimony. Mrs. Napolitano, any statement you wish to make, or comments?

Mrs. NAPOLITANO. I totally agree with her assessment, especially in the view of the fact that California has 35 million people that have to get to work, and the aging infrastructure has not been really upgraded for many decades. And I think it is time that we begin to really focus. Seeing as California provides a lot of the funding for transportation, we are a donor State, so to speak. So I agree. Thank you.

Ms. CHU. Thank you.

Mr. DUNCAN. All right. Thank you very much, Ms. Chu. Mr. Sires?

Mr. SIRES. Thank you, Chairman Duncan and Ranking Member DeFazio, for holding this important hearing. I appreciate the opportunity to share my policy proposals as we work together to reauthorize the surface transportation bill.

As many of you know, my district in New Jersey is one of the most densely populated, and is also an important transportation hub, home to highways, commuter rail, light rail, and the largest port on the East Coast. I believe that an effective transportation policy should focus on ways to improve congestion, make our transportation system more efficient, and protect the environment and health of our constituents.

This Congress I have introduced legislation that I believe will prove useful if incorporated into the surface transportation bill. The first is H.R. 260, Commute LESS, which stands for leveraging employer support and successes. This bill was modeled after a successful program in Washington State. In 2009, Washington's commute reduction board reported that their program removed 28,000 vehicles from the road, reduce 12,900 hours of delay, and led to savings of $9 million in congestion costs.

Based on these successes, I believe that my legislation, Commute LESS, can similarly work throughout the country. If implemented, the results will be less congestion, less emission of greenhouse gases, and ultimately, better efficiency in our transportation system. Commute LESS would give employers the tools necessary to provide their employees with alternative forms of transportation, such as transit, carpooling, and teleworking. Metropolitan planning organizations would work with employers to receive input regarding the development of long-range transportation plans.

Additionally, if construction plans impede the flow of traffic for more than 120 days, or exceed $100 million, this bill will require a mitigation plan. I believe that this bill provides the solution necessary to expand commuting options during a time when congestion has cost Americans $115 billion and 34 lost hours.

I also introduced H.R. 1338, the Focusing Resources Economic Investment and Guidance to Help Transportation Act of 2011, and believe that its broad policy proposal should be considered in the upcoming bill. This legislation would help achieve national objectives of bettering our communities through reduced congestion and pollution, while also stimulating our economy.

The Freight Act focuses on three policy ideas. The first is the creation of a national freight transportation policy to improve freight efficiency, operation, and security. This plan would access the current national freight system and its ability to achieve future objectives and goals.

Second, this bill will establish a dedicated office of freight planning and development within the Department of Transportation to be led by an assistant secretary of freight planning and development. This office will be instrumental in facilitating communications among stakeholders and different levels of government.

Lastly, national freight infrastructure grants will be awarded on a competitive basis to improve the efficiency of our national transportation system. With freight, volume is expected to increase 92 percent by 2035. It is important that our Nation is prepared to meet these needs. And I believe the freight policy ideas can help.

Livable communities. Livable communities are also an issue that I feel strongly about, and I believe it belongs in the upcoming bill. The HUD, DoT, and EPA partnership for sustainable community has been successfully working to integrate planning and investment among the three agencies. Their programs are working to provide more transportation choices and promote public health.

Additionally, Safe Routes for Schools is another program that has had nationwide success. Safe Routes for Schools reduces congestion while also encouraging healthy and safe options for children. Both the partnership and Safe Routes are important tools to reach the goals of streamlining our transportation system.

Lastly, I must urge the committee to focus on infrastructure and investment. Not only are investments necessary to bring our country into the future, but investments will bring jobs: $1 billion in infrastructure creates approximately 35,000 jobs. The construction sector unemployment rate is still over 20 percent, and we have thousands of people waiting to work.

The committee has focused on finding ways to do more with less. And I agree that this is needed. I believe that both Commute LESS and the Freight Act can meet these goals. I also believe that creating livable communities provides holistic framework to ensure that our policies improve the well-being of our constituents.

Thank you, Chairman Duncan and Ranking Member DeFazio, for holding this hearing. And I look forward to a robust reauthorization bill. Thank you very much.

Mr. DUNCAN. Well, thank you very much, Mr. Sires.

And we are now honored to be joined by our colleague, Earl Blumenauer from Oregon. And Congressman Blumenauer, it is an honor to have you here with us.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I must confess that I miss the 10 years I spent with you on this committee, and am privileged to be with you. I would identify strongly with the elements that were mentioned by my good friend from New Jersey, and would echo them. Because what we know is that the Surface Transportation Act is probably our most effective tool to be able to rebuild and renew America, to put people back to work, and to give them tools, as my friend mentioned, to be able to work more efficiently.

Transportation should be about giving citizens and businesses options. People want more choices. It is interesting, the study by the National Association of Realtors showed that over 50 percent of Americans think we ought to invest more in public transit and active transportation instead of merely automatically increasing traditional road-building infrastructure. But we know that is important, as well.

The cost of congestion to society has increased almost 500 percent in the last 30 years. Being able to work collectively and flexibly, to be able to move passengers, and freight, and strengthen community is what it is all about.

I was pleased to see what has happened, as was referenced, with the unique partnership between the Department of Transportation, HUD, and EPA. It is unparalleled. And we have watched almost 1,500 communities make applications for the Tiger Grants, for instance, and there are only 51 of them. We could have increased that investment 40 times with worthy projects. I am just pleased that my community got one, and that I have been able to visit communities around the country where people are putting it to work.

It gives an opportunity for people to enhance that flexibility, which brings me to my second point, because I know the committee has been looking at ways to streamline the process. This is something that has occupied our time. I would hope that we can reframe the regulatory debate beyond the rules and regulations and the hoops that we jump through.

But what actually is the outcome? Can we make this more performance-driven? Mrs. Napolitano has a State that has environmental regulations that are arguably stronger than the Federal Government. Well, when there is a big transit project, for instance, in southern California, or a road project in Sacramento, does it make sense to require two separate processes, if the State process is arguably even stronger? What is the benefit for the extra time and energy?

I think, by making this performance-driven, this is something that people of all philosophies, all color States, can come together. And it is something I would like to work with the committee on. I have taken this to the White House after the President's recent Executive order on regulation, suggesting that we do business differently, not just look at the good and the bad.

I also hope that we can spend more time talking about how we finance infrastructure. One of the reasons why I grudgingly took a leave from this committee to go to Ways and Means and go to budget is because, frankly, you need more resources to realize the vision. The American Society of Civil Engineers suggests that we are $2.2 billion down for infrastructure needs, just for the next 5 years.

You know, it is interesting. Ronald Reagan, at the height of the work that he was doing, supported a gas tax increase. We see our friends in the Senate with their FAA reauthorization come together for user fees that are actually supported by the industry that would support billions of dollars of investment. I know this is not primarily your jurisdiction, but I would urge that you work with us, because I will fight for you on the revenue title on Ways and Means, and carry that to the budget discussion.

And while we are at it, we need to be looking at the long-term financing. Using for transportation a fee that is based on gallons consumed locks us in a downward spiral. I come from a State that gave you, 91 years ago, the first gas tax dedicated for transportation, road construction. We are working to try and eliminate the gas tax with work that we have done, authorized by this committee before, on a vehicle-mile-traveled fee, which has been a pilot project that has been very successful.

I came before you last year, urging that you incorporate a portion of legislation that I have that would expand this pilot project to other States that would like it. Because, ultimately, with hyper-efficient diesel trucks, with more fuel-efficient gasoline-powered cars, with hybrids, with plug-in hybrids, with electric cars, we are in a downward spiral that cannot support our transportation needs, even while they put demands on the road. I would urge that you look at 3311 from the last session, and see if there is something that we can do with you to expand that, so people understand the power and the capacity.

And in the short term, I would hope that we could look perhaps at legislation that I have to change the truck excise tax to a fuel tax. The big hit to the transportation fund was the collapse of truck sales, and that 12 percent excise tax did not collect the money. I have been working with the auto dealers, the truck manufacturers, with a range of groups, to see if we cannot replace that excise tax, which is very unstable, with a revenue-neutral proposal that would simply have a small increase in the fuel tax in the interim. That would promote the sales of equipment, it would stabilize the highway trust fund, and I think would help position us, moving forward.

There is no more important work for this Congress than what you are doing with reauthorization. I know it is not easy. I know there are lots of tugs and pushes and pulls. I will supply a statement for the record about some other interests that I have. But I did want to join with you to make these three points, to pledge my support, and hope that we are able to work with you on the long term for the things that will help us rebuild America, make our communities more livable, and our families safer, healthier, and more economically secure.

Mr. DUNCAN. Well, thank you very much, Mr. Blumenauer, and you have just shown those of us who are here, through your testimony, why you were such an outstanding member of this committee. And I look forward to working with you on some of those proposals, as you said, especially some of the environmental requirements and several of the other things, as well. You have made some very good suggestions.

Any comments, Mrs. Napolitano?

Mrs. NAPOLITANO. No, except you forgot to mention the bicycle paths.

Mr. BLUMENAUER. But I am silently advertising before you.

Mr. DUNCAN. Mr. Hanna?

Mr. HANNA. [Off mic.]

Mr. BLUMENAUER. Thank you, Mr. Chairman, Congressman Hanna. My goal would be that we work very hard to make it not subjective, that we identify what it is that we are trying to achieve with a particular environmental protection.

I worked in a prior life, when I was commissioner of public works for the city of Portland, I was part of an effort for our region to work with our largest employer, Intel—actually, it is the largest concentration of Intel employees anywhere in the world—on a plant expansion. It required an air quality permit. And there was some ambiguity about what would happen, in terms of having bureaucrats designing what was necessary for that plant expansion.

And we were able to work out with EPA and our State regulatory authority, conditions where they committed to meet the standard, but we got out of the way, in terms of what the specifics would be. And they were able to move forward with the project. They saved millions of dollars. And the air is just as clean, if not cleaner. And that—so I do not want it to be subjective. I do not want us to be in the cross-current.

I bleed green. It is not about protecting the environment or the health. It is just getting to the point of what we are trying to achieve, making that standard specific, and then holding people accountable for meeting it.

Mr. HANNA. Thank you.

Mr. BLUMENAUER. Thank you, sir. Thank you very much, Mr. Chairman.

Mr. DUNCAN. Well, thank you very much, Mr. Blumenauer. And now I will recognize Mr. Cohen for any statement or comments that he wishes to make.

Mr. COHEN. Thank you, Mr. Chairman Duncan. I appreciate your leadership and recognition.

I have the privilege of representing Memphis, Tennessee, America's airtropolis, in addition to being the home of Elvis, and the unfortunate site of the assassination of Dr. King 43 years ago yesterday, where there is a great new civil rights museum.

In Memphis we have the four R's come together: roads, runways, rails, and river. And it makes our city distinct in our country, as a distribution hub and transportation center. We move more cargo through our airport—largely because of Federal Express—than any airport in the United States, and second only to Hong Kong in the world.

As a representative of this town, which is a transportation town, I understand the need of functioning transportation infrastructure to keep our Nation's economy moving. It is one place we are lagging behind our counterparts in Asia and in Europe.

Every evaluation of our transportation infrastructure makes the same conclusion, that our infrastructure is crumbling, and Congress needs to pass long-term authorization that makes a significant investment in that infrastructure. It is not only important for the immediate needs of our economy and our putting our people to work with jobs, but also the long term of keeping our economy going and competing on the world stage, as an important trade partner and producer and distributor of goods and products.

This point is moist poignantly made by the appropriately titled AASHTO report, "Rough Roads Ahead: Fix Them Now or Pay for It Later," which states that one-third of the Nation's highways are in poor or mediocre condition. I hate to think of the structure of our bridges, which threaten lives, as well. This report and others indicate that now is the time not to stand pat and reduce our spending, but that we need to keep our country and our people and our economy moving in the 21st century. We need to move forward with investments, not stand pat.

The Surface Transportation Authorization Act authorization must do more than invest in our infrastructure. It needs to provide a visionary comprehensive systemic approach to infrastructure investment that addresses the Nation's commercial needs. To that end, I propose two pieces of legislation that achieve this mission by advancing the development of airtropolis transportation systems.

I worked with Chairman Mica to advance airtropolis transportation systems, development in the FAA Reauthorization Act and hope to do the same in the Surface Transportation Authorization Act.

The 21st century has been dubbed "the fast century," an era when speed and agility will determine commercial success. And to serve that need, new urban forms are coming about, comprising multimodal transportation networks and aviation-intensive businesses called the airtropolis. It is developing around the world. Paris, France, has an airtropolis concept. They have got one in China, in addition to—a couple in China, in Hong Kong being another.

Similar in shape to the traditional metropolis design, the airtropolis extends from major airports. Centered around that airport is a planned, coordinated, multimodal freight and passenger transportation network called an airtropolis transportation system. It involves not just the airport, which is the center of economic activity, but trucks that come in and bring goods, railroads that come in and bring goods, and even river transportation moved by other forms of transportation to the air hub, that then distributes it to the world.

Airtropolis development systems are developing across the country in other cities besides Memphis—although Memphis is premier—cities such Detroit and Milwaukee. But all these cities need Federal support to compete in this international marketplace.

To spur domestic airtropolis transportation system development, I am introducing legislation that directs the Secretary of Transportation to establish a grant program to provide funding assistance to local entities for planning, design, environmental review, and land acquisition activities for airtropolis transportation system projects. Many airtropolis transportation systems throughout the country are developing slowly, because local entities lack the requisite funding for pre-construction activities. By providing a small influx of money in the pre-construction phase, the government can help localities expedite project delivery, enhance U.S. competitiveness, and create jobs.

I will introduce the Airtropolis Act of 2011, which amends SAFETEA–LU, so that projects—assistance of the establishment of airtropolis transportation systems are eligible to receive funds under the projects of national and regional significance program. This program funds projects with national economic benefits that cannot be funded through traditional funding, making the program an appropriate funding mechanism for airtropolis transportation systems. Without that support and investment, airtropolis won't take flight in the United States, and leave our Nation grounded.

We must ensure we use innovative approaches to address growing transportation needs of our citizens. To do so, we need to support the President's livability agenda, by creating an office of livability within the Department of Transportation, and develop an extensive livability agenda.

As our Nation's population ages, gas prices climb, we have to have more than just cars and trucks. We need to have bike paths, we need to have walking paths. We need to have other forms of transportation that God has given us, and that aren't dependent on fossil fuels.

Lastly, we need to resolve how to better invest in programs like the Intermodal Freight Transportation Institute at the University of Memphis, which is educating transportation engineers of our future.

It is also—the University of Memphis has great athletic basketball teams, but not as good as the University of Connecticut's this year. But next year we will be better.

I look forward to working with you to pass a long-term comprehensive surface transportation authorization act to create jobs and keep our country moving. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you very much, Mr. Cohen. Our next witness will be the Honorable Rosa DeLauro, from the State of Connecticut. Ms. DeLauro, it is an honor to have you here with us.

Ms. DELAURO. Thank you very, very much, Mr. Chairman. Go Huskies. Thank you, Mr. Cohen. Really delighted and proud to be here with you this morning. I want to thank Chairman Duncan, and I want to thank the ranking member, Mr. DeFazio, Congresswoman Napolitano. Good to be here with you. This is a wonderful opportunity you have provided me to testify about the national infrastructure bank.

I might add that on a recent CODEL to Afghanistan I had the opportunity to talk about transportation infrastructure in general with Chairman Mica. And I and my staff have discussed the proposal at length with Representative Shuster of the committee, as well. And he generously spent some time in Connecticut earlier this year, looking at our high-speed rail development in the northeast corridor. So I thank all of you for your great leadership on this issue.

I want to commend the subcommittee for its recognition that investment in transportation infrastructure is critical to job creation and to economic growth. Everyone here understands that we need to make wise investments with limited resources, and that investments in infrastructure pay enormous dividends in jobs and prosperity.

If you will permit me to quote you this morning, Mr. Chairman, you said in a hearing last week that this subcommittee "will also be looking at innovative financing, bonding, loan programs, and public-private partnerships are just some of the innovative financing techniques that the subcommittee can utilize to leverage the Nation's limited highway trust fund dollars."

In addition, Mr. Chairman, and again I quote, you said, "We should consolidate duplicative Federal programs to eliminate waste and eliminate programs that do not serve the national need."

Mr. Chairman, I agree with the entirety of these statements. In fact, these hit on the exact goals and purpose of a national infrastructure bank. To that end, I introduced legislation that would establish a national infrastructure bank, government-owned corporation, managed by an independent board of directors and staffed with experts in finance and infrastructure. It would leverage private dollars to invest objectively in a broad range of infrastructure projects of national and regional significance with clear economic, environmental, and social benefits.

On the lending side, the bank would leverage private dollars by issuing bonds that will attract interested institutional investors with proceeds used to provide loans and loan guarantees to projects. On the borrowing side, the private sector can partner with the public sector—regions, States, localities—to borrow from the bank, while adding its own private equity.

The bank takes a diverse view of infrastructure needs. It provides funding to projects that cross traditional jurisdictions, and prioritizes those with additional sources of financing that can be completed more promptly with assistance from the bank. Authorized appropriations would capitalize the bank, which would then lend money to projects with identifiable and reliable revenue streams, so that loans are paid back, and the bank becomes a self-sustaining entity.

To be clear, the purpose of a national infrastructure bank is to supplement, not supplant current funding mechanisms. I am a strong supporter of the robust surface transportation reauthorization measure, as well, and believe this should be part of that effort. The infrastructure bank concept acknowledges what we all know, that current Federal programs are simply unable to provide the investment needed to meet the infrastructure investment deficit that we face.

According to the National Surface Transportation Policy and Revenue Study Commission, $225 billion is needed a year for the next 50 years to upgrade our surface transportation system to a state of good repair, and create a more advanced system. Particularly in light of our current fiscal situation, now is the right time to move forward with this innovative finance proposal.

Over the past month I know this committee has conducted a series of 16 field hearings and listening sessions around the country to gather input from States and local communities. It is seeking input from the transportation community for the surface transportation reauthorization. I suspect many of them would advise that they support a national infrastructure bank.

The concept has received a wide range of support from business, labor, and the investment communities, as well as a bipartisan group of governors and mayors and a variety of advocacy groups. In fact, a bipartisan counterpart to my legislation has been introduced in the Senate by Senators John Kerry, Kay Bailey Hutchison, Mark Warner, and Lindsey Graham.

In sum, by leveraging private dollars, streamlining and focusing our infrastructure investment decisions, funding projects critical to economic growth, and creating good, well-paying jobs, a national infrastructure bank can help to meet the goals the committee has set out for the surface transportation reauthorization. I hope that we can come together to craft an authorization for a national infrastructure bank that can attract the type of bipartisan support within the House that the proposal has enjoyed for years outside the institution.

Republican or Democrat, we all know that transportation and infrastructure investment creates jobs, revitalizes our economy. I believe that the bank will help put us and help to put America back to work.

I thank you. I look forward to working with the subcommittee on this initiative. Thank you, Mr. Chairman. Thank you, Mrs. Napolitano.

Mr. DUNCAN. Well, thank you very much, Ms. DeLauro. And I agree with you. Mrs. Napolitano.

Mrs. NAPOLITANO. I concur totally with the statement made by our colleague, Ms. DeLauro. It is really key that we get this bill moving.

Ms. DELAURO. OK. Thank you so much, and I appreciate the opportunity to testify this morning.

Mr. DUNCAN. Thank you. All right. Our next witness is the Honorable Gene Green from Texas.

And, Mr. Green, it is a privilege to have you here with us. Thank you very much.

Mr. GREEN. Thank you, Mr. Chairman, and our ranking member, Mrs. Napolitano. Thank you for allowing me to testify today. And I understand the physical challenges we face, but I also believe we must do more to improve our Nation's transportation system.

I represent the east side of Houston, Texas, and east Harris County that includes both the Port of Houston and a support system based on a movement of trucks out of the port. Transportation funding, particularly for highways and transit, is particularly important for my constituents, the entirety of the greater Houston area. We have a congestion problem in Houston. We have done a lot to reduce this congestion, but more must be done.

We also have the largest port in the country for foreign tonnage, and the largest petrochemical complex in our country along the banks of the Port of Houston. In years ahead we will face a much higher traffic volume, due to the population growth and the expansion of the Panama Canal, which will bring more truck traffic and economic development to the area.

In order for Houston and our port to continue to be a hub of commerce, we must strengthen our rail and road infrastructure. Both a successful port and growing local economy rely on well-maintained roads and bridges. Communities around our country must improve transportation infrastructure in order to encourage businesses and economic development.

With a population of 6.1 million, the Houston area relies on highway funding. Texas is a donor State. We pay more into the highway trust fund than we receive. As a result, it is important that percentages are maintained so that we do not lose any more money of the money that Texas pays into the fund. Ideally, under a new bill, our percentage would increase.

Right now is the best time to fund construction projects. With the recent downturn in the economy, construction projects have decreased in cost. The Texas Department of Transportation has told me they saved as much as 20 percent on projects funded under the American Recovery and Reinvestment Act, because costs during recession went down a great deal.

One project I am familiar with is the direct connectors on State Highway 59 and the Beltway 8 around Houston on the north side that is in our district was initially estimated it cost $100 million. It ended up a total cost of $36 million.

I am concerned about the increased reliance on toll roads. They certainly have a place in our system, and we have them in the Houston area, but we cannot allow two different highway systems to develop, one for the wealthy, who can afford the daily budget drain of toll roads, and the rest of us, who cannot. If the toll roads that are constructed are paid for by the tolls, I believe that expands options for drivers and is generally a good thing. However, I do not support any Federal funds being spent on these roads. While I understand the strain that the highway trust is experiencing, particularly with increasing vehicle fuel efficiency, it is important we fund important highway projects throughout the country.

We are at a critical time for our Nation, in terms of transportation funding. We must fix the bridges, expand the highways, and increase the capacity of our infrastructure. Funding for new starts is important for Houston, and I hope to be included in the authorization bill.

In—Houston is current scheduled to receive full funding grant agreement for two light rail lines under the new starts program this summer. I am happy that both the Federal Transit Administration and the Department of Transportation have seen the significance of these two projects. Houston is our only light rail, is supported by local funds, and these projects would actually be a partnership with the Federal Government, which would not only stimulate job creation, but also improve our local transportation infrastructure by providing affordable mass transit and easing congestion on our highways.

The Houston area has, for too long, been left behind on transit. And these two lines will serve some of the most transit-dependent parts of our community. For that I am thankful, and for the added commerce and economic opportunities the light rail will bring to these communities.

Highway and transit projects are important to our constituents so they can work, go to work and school, and they are important to our business, so they can move commerce. Everyone wins when you increase our investments in transportation infrastructure.

And again, thank you for the time today, and thank the committee for allowing Members to testify.

Mr. DUNCAN. Well, thank you very much, Mr. Green. I wish all of our $100 million projects would come in at $36 million. We could get a whole lot more done.

Mr. GREEN. I was shocked myself. In fact, that interchange was at the corner of our district, but along with Ted Poe's and Sheila Jackson Lee's, so all of us agreed we would stand there and hold the same scissors as we cut them, because it was a partnership from all three of us.

Mr. DUNCAN. Well, that is great. You have been an outstanding Member of Congress. How long have you served now?

Mr. GREEN. I am in my tenth term, Mr. Chairman.

Mr. DUNCAN. Tenth term. I knew it was something like that. Mrs. Napolitano?

Mrs. NAPOLITANO. Nothing. Just great testimony, Mr. Green.

Mr. GREEN. Thank you.

Mr. DUNCAN. Thank you very much. Our next witness is the Honorable Mark Critz from Pennsylvania. And we are pleased, certainly pleased to have you with us here today. And I thought we were going to get right to you, and then a couple of others who were scheduled before you—and you were—I was going to let you go ahead anyway, but I saw that you graciously moved out of their way, so I appreciate that.

But thank you, and you may begin your testimony.

Mr. CRITZ. Well, thank you, Mr. Chairman, for the opportunity to testify. And, Mrs. Napolitano, I appreciate the opportunity. I do not have a prepared statement, and—but I just wanted to go over some notes about something that happened in the 2005 reauthorization of SAFETEA–LU, and sort of what brought us to this position.

In 1991, in the Intermodal Surface Transportation Efficiency Act, ISTEA, there was language put in that states that have toll highways could use the toll credits from those as matching funds for Appalachian Highway System projects. That was going along quite well.

And to give you a little bit of background about Pennsylvania, the Pennsylvania Turnpike, of course, is one of the oldest highways in the country, and there is actually a portion that runs between Breezewood, Pennsylvania and New Stanton, Pennsylvania, where Route 70, a Federal highway, joins the turnpike. And at that stage, for that 89-mile stretch, the Federal Government bears no cost to maintain that portion of the highway.

In fact, if you use new highway construction costs, which are running in the $20 million to $25 million range, that 89-mile stretch of highway saved the Federal Government quite a bit of money in past years. But looking at it from a current standpoint, a reasonable amount of money to consider for just upkeep and maintenance of a stretch of highway is probably about $1 million a mile every 5 years.

So, the 5 years since the language was changed in the SAFETEA–LU reauthorization in 2005, the State of Pennsylvania has actually saved the Federal Government probably approximately $190 million in maintenance costs to that stretch of highway.

But even going further, what the turnpike also does is that they contribute approximately $450 million back to Pennsylvania for other highways that are not part of the turnpike system. So, when you talk about innovative financing, Pennsylvania has been at the forefront of using their highway system and their interstate dollars to supplement what the Federal Government has been able to do.

And if you look at Pennsylvania from a geographic standpoint, it is hard to move commerce between the northeast population centers and the rest of the country without going through Pennsylvania. So, even though we take a hit sometimes because our roads are not always the least pothole-filled ones in the country, we do have more miles of roadway than the entire northeast New England States combined. So we do try to maintain that link between the northeast commerce and the rest of the country.

But what happened is that—and, as you know, Mr. Chairman—is that—being from Tennessee and part of the Appalachian region—is that the Appalachian highway system was developed because a lot of our areas, rural America, are not connected to the original interstate transportation system. And, therefore, this system was set up so that our areas, rural America, could be connected and hopefully produce an economic benefit to it. So, that system was going along quite well with the addition of the toll credits.

And I refer back to the savings that the State of Pennsylvania, because of the turnpike, produces for the Federal Government. These toll credits are really a reward for Pennsylvania. It is not an expense to the Federal Government. It is actually zero sum, and actually, probably even less than that.

We have—and I am going to be specific, because it impacted Pennsylvania dramatically in the past couple of years—is that we have a section of the Appalachian highway system ready to go to construction, and is $35 million short in its match. And that is when the—it was discovered that the toll credits were taken out of the match. And, unfortunately, in our trying economic times, Pennsylvania does not have that extra $35 million to fund a $350 million construction project in Pennsylvania.

It is completing the Route 219 in southern Somerset County, which will connect it to 68 and, in essence, connects three east-west corridors: Route 68, that goes through Maryland and West Virginia; Route—the turnpike, which runs through Pennsylvania; and then Route 22, which is in the northern part of my district. And without this matching money, these projects won't go forward. Obviously, it is also an economic boon. The construction of Route 219 is going to create 2,400 to 2,600 permanent jobs, along with about 8,000 construction-related jobs. So it has come at such a critical point to our local economy.

But it is not just about Pennsylvania, because this toll credit language impacts all the Appalachian region, which includes Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and

West Virginia. And without this, rural Pennsylvania, rural America, is going to be left behind. And we need your help.

So, I wanted to testify. This is so critical. And I appreciate you taking my testimony.

Mr. DUNCAN. Well, thank you very much, Mr. Critz. I believe that Members should try to do things for their districts. And your predecessor was a legend in that regard. I know you worked for him, and you are in the position of having to follow an Adolph Rupp or a Bear Bryant, but I am sure that you will handle it well. And certainly I appreciate your testimony here today.

Mrs. Napolitano, do you have any questions?

Mrs. NAPOLITANO. Not at all. No questions, but a comment that I am looking at the corridors and their viability to be able to not only move people, but goods movement. And certainly when—at least from my area in California, we are almost 12 million people, just in our county alone, and that is people that have been counted—how do we move people, not only from the big areas, the metropolitan areas, but from the urban and suburban, the agricultural areas, so that they too have the same ability to have their demands met, in terms of transportation, including safety of the roads that they travel for their families.

So, thank you for your testimony. I appreciate that.

Mr. CRITZ. Thank you very much.

Mr. DUNCAN. Thank you very much. The next witnesses are on the Energy and Commerce Committee, and I understand they are having a vote right at this moment. So we will be in recess for just a few minutes.

[Recess.]

Mr. DUNCAN. The hearing will resume. We have had a lot of Members here today. But we are certainly honored to have, as our next witness, Congresswoman Nydia Velázquez, who is a long-time friend of mine, and a really outstanding Member.

And, Ms. Velázquez, you may begin your testimony.

Ms. VELÁZQUEZ. Thank you, Chairman Duncan and Ranking Member DeFazio, and members of the subcommittee. I welcome today's opportunity to present policy proposals to reform the Federal highway safety programs as the committee begins drafting a long-term reauthorization of the Nation's surface transportation programs.

The economic downturn and rising gas prices have made intercity bus service the fastest growing mode of transportation in the country, outpacing air and rail travel combined. The popularity of bus travel is dominated by the so-called curbside carriers. Instead of using bus terminals, these low-cost operators use city streets to drop off and pick up passengers. After 40 years of declining ridership, curbside operators have revived the bus industry, and now originate more than 20 percent of all departures. However, this rapid growth has led to serious safety concerns.

As you know, bus operators must follow many safety requirements, including screening drivers for controlled substances, limiting the number of hours drivers can operate, and properly maintaining buses and equipment. Unfortunately, curbside carriers operate in a gray area of the law, and current safety measures have not prevented deadly accidents and near misses from occurring around the country. The examples are numerous.

Last September, four people were killed when a curbside bus hit a bridge in Salina, New York. On March 11, 2011, a bus driver in New Jersey was cited for a DUI, leaving passengers stranded on the side of the highway for hours. And, of course, there was the accident in the Bronx that killed 15 and injured dozens, the majority of whom were my constituents. In response to this tragedy, I requested a full NTSB investigation into the discount busing industry, looking at the condition of buses, driver fatigue, and safety rules enforcement. The NTSB recently agreed to my request and will begin a 6-month investigation immediately.

Today I would like to bring to the committee's attention several concerns I have with the discount bus industry. Curbside bus operations present a unique challenge to inspectors from the Federal Motor Carrier Safety Administration. The lack of terminal facilities seriously hampers their ability to perform required equipment inspections on the Nation's growing fleet. The result is poorly maintained buses skipping inspection and putting lives in jeopardy.

Driver behavior also places lives in peril. Easily falsified log books allow many drivers to violate the 10-hour driving limit. Such violations place both passengers and motorists in grave danger. Since the Bronx tragedy, numerous instances of over-worked drivers have been reported.

Additionally, inconsistent State laws allow drivers to continue operating even after drug and alcohol violations. Many small trucking companies lack the resources to verify a driver's record in multiple States, forcing companies to rely heavily on falsified information supplied by drivers. Establishing a national clearinghouse for drug and alcohol violations would significantly reduce the number of dangerous drivers on the road, and the costs of conducting required background checks.

Unfortunately, curbside buses may continue operating even after several failed inspections or citations for drivers being on the road too long. The lack of authority to swiftly take operators, drivers, and buses off the road for safety violations has prevented the Federal Motor Carrier Safety Administration from fulfilling its mission to reduce accidents on the Nation's highways.

The growth of curbside busing has placed unsustainable pressure, not only on cities and towns, but on the Nation's highways, as well. The tragedy in the Bronx was the latest in a long line of accidents that highlight the need to improve oversight of the bus industry, in order to protect passengers and motorists.

I come here today, Mr. Chairman, to ask the committee to address these concerns when drafting a long-term reauthorization of the Nation's surface transportation program.

Thank you for the opportunity to testify.

Mr. DUNCAN. Well, thank you very much, Nydia. It has always been a pleasure to serve with you.

And, Mrs. Napolitano, do you have any comments?

Mrs. NAPOLITANO. Yes, Mr. Chair, just commenting on Ms. Velázquez's references to the curbside operators and their drivers not having all the necessary clearances or being—how would I say—inhibited by alcohol or any other drug issue.

There is the commercial driver's license—the CDLIS, I think it is called—the national clearinghouse. Is there a way to be able to get them to—not re-review, but look at the current status of some of your curbside operators' ability to continue servicing, especially in a metropolitan area like New York, to be able to understand what their findings have been, and maybe either start placing heavier fines or be able to control inappropriate activity that endangers the general public and the tourism for that area? That would be one comment that I would ask, if there has been anything moving in that direction.

The fact remains that people want to make money. And sometimes, if they are found to have a need to provide additional services, they will take anybody that is available and put them on a route.

So, I am not sure what the issue is, in so far as the curbside. I didn't know there was curbside operators. I thought you only had buses in New York, because I really do not pay that much attention when I visit. But I certainly would love to be able to help in any way I can.

Ms. VELÁZQUEZ. Very good.

Mrs. NAPOLITANO. And thank you for your testimony.

Ms. VELÁZQUEZ. Thank you.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Mr. DUNCAN. All right. Thank you very much. Our next witness is Mr. McGovern, Honorable Jim McGovern from Massachusetts. And certainly Mr. McGovern has been a great leader in this Congress and for many years now, and it is an honor, Mr. McGovern, to have you here with us. We have had a lot of Members through here today, and we are getting down to the——

Mr. MCGOVERN. The final one.

Mr. DUNCAN [continuing]. Last couple of witnesses.

Mr. MCGOVERN. Right.

Mr. DUNCAN. But we are certainly pleased to have you here with us. You may proceed.

Mr. MCGOVERN. Well, thank you, Chairman Duncan and Congresswoman Napolitano. Thank you for allowing me to testify. And than you for your patience, listening to not just me, but a whole bunch of Members today.

As a former member of this committee, I recognize that you are facing extraordinary budgetary challenges as you begin work on the next highway reauthorization bill. Over the past several years I have been a strong advocate of limiting truck size and weight, and I plan to reintroduce my Safe Highways and Infrastructure Preservation Act in the coming weeks, which would extend common sense size and weight limits to the entire national highway system.

Various groups dominated by large shippers and large trucking companies are lobbying Congress right now to raise the maximum weight of single tractor trailer trucks from 80,000 pounds to 97,000 pounds, and to allow longer trucks across the highway system. Simply, bigger, heavier trucks impose huge costs to State and local governments for road and bridge repair and maintenance, impose tremendous safety risks to motorists.

At a time when both the Federal and State governments are facing projected budget shortfalls for fiscal year 2012, allowing increases to truck size or weight will exacerbate existing transportation funding problems.

The fact of the matter is the big trucks today do not pay their fair share for the damage they cause to our roads and our bridges. A 2000 Federal Highway Administration study found that a typical 80,000-pound truck pays only 80 percent of its highway maintenance costs, and a 97,000-pound truck pays only 50 percent of its damage costs.

Bridges are particularly damaged by these super-sized rigs. The Illinois Department of Transportation recently conducted a cost benefit analysis of the impact on bridges in the State associated with raising truck weights to 97,000 pounds. IDOT's conservative estimate show that these heavier trucks will cost the State an additional $162 million in repair and maintenance costs for interstate bridges, alone.

In addition to the added costs, the dangerousness of bigger trucks is well documented. In 2009, 74,000 people were injured and 3,380 people were killed in crashes with heavy trucks. Allowing trucks to be even heavier is a dangerous proposition.

While some proponents of big trucks argue that bigger trucks means fewer trucks on the roads, the evidence just does not support this claim, nor does the evidence support the argument that bigger trucks mean a decrease in the emissions that cause pollution. Time and time again, we have seen that increasing truck size and weight results in more trucks on the road, more fossil fuels burned, and more highway congestion, not less.

As you begin drafting the next highway reauthorization bill, I urge you not to increase truck size and weight on our highways. In these tough budgetary times, we simply cannot afford the cost that these dangerous mini-trains impose on our State and our local governments. And, as I said before, we are going to reintroduce my bill and we are going to reintroduce it with scores and scores of safety organizations across the country that view the increase in truck size and weight as a safety issue, as well.

One final note. While I understand that tax issues are not the purview of this committee, I urge you to keep in mind mass transit as you craft your legislation. The commuter tax benefit in the Recovery Act that allows mass transit commuters to receive the same maximum benefit from their employers as those who receive parking benefits was extended through December 31, 2011. I urge you to encourage the usage of mass transit as one way to relieve traffic congestion and give commuters more affordable transportation options.

Again, I appreciate your patience, and I appreciate the work that is done on this committee, and I yield back my time. Thank you.

Ms. SCHMIDT. [presiding.] Would you like to say something?

Mrs. NAPOLITANO. Yes. I thank you so much for your testimony. And you hit a subject that I have a great concern about, and that is the increase in not only the weight, but the size of the trailers.

And I know in California there was talk of expanding to two—the tandem, 52-footers.

Mr. MCGOVERN. Right.

Mrs. NAPOLITANO. And the ability for them to navigate around the on-ramps and off-ramps is totally bogus. They cannot. And the fact that transportation—I can understand, like you have said, the trucking organizations, the companies, want to be able to transport more.

Mr. MCGOVERN. Right.

Mrs. NAPOLITANO. Problem in California, in many areas, is that they were using unleaded gas coming into California, spewing more environmental pollution in our area. Plus, one of those rigs has an accident, it shuts down the freeways.

Mr. MCGOVERN. Right.

Mrs. NAPOLITANO. And a lot of the issues that have been discussed in the California transportation committee that I sat on for 6 years, they are very, very true, even now, that the increase does affect the roads and the highways that we have.

Now, you talk about bridges. There is none in my area, but let me tell you that in some of my cities the ruts are so big, caused by the excess weight in some of those rigs, that it is hard for sometimes the cars that are navigating. They sometimes have problems with their undercarriage because they fall into those ruts.

So, yes, it is a big concern. And I always hear—and you can see the placards on some of the trucks—that they pay heavy-duty taxes. Well, I am not sure if it is enough to be able to keep the infrastructure safe for the rest of the traveling public.

So, thank you very much for your testimony——

Mr. MCGOVERN. Well, thank you——

Mrs. NAPOLITANO [continuing]. And I would love to look at your bill.

Mr. MCGOVERN. Well, thank you. And you said it accurately. They do not pay their share, in terms of what they—in terms of the wear and tear on highways.

I will just say one final thing. There are some who are advocating that we allow States to kind of decide this on a piecemeal basis. I think that is a bad idea. I think it is a bad idea, because then it ultimately will put pressure on other States to make exemptions for bigger trucks and heavier trucks because we have an interstate highway system. And I think that would be a very, very bad idea.

I mean this is a safety issue, first and foremost. It is also a cost issue. And, you know, I think if any State were to do a cost benefit analysis of what it would mean to allow bigger trucks and heavier trucks on their roads, they would find that they would be having to pay a lot more money for basic repairs of their infrastructure. This is a bad idea that is being pushed by the big shippers right now, and I hope that this committee, in its wisdom, when you do the highway reauthorization bill, will state emphatically that we are against the increase in truck sizes and weights. Thank you.

Ms. SCHMIDT. Thank you for your testimony.

Mr. Butterfield, you are recognized.

Mr. BUTTERFIELD. Chairman Schmidt, Ranking Member Napolitano, thank you very much for this opportunity. I am multitasking this morning between the Energy and Commerce Committee and your committee. I thank you.

As we all painfully remember, August 1, 2007, was a tragic day in our country on the level of 9/11. Early that morning, the I–35 west highway bridge in Minneapolis collapsed, leaving 13 people dead and 145 injured. The National Transportation Safety Board determined that inadequate load capacity created by increases in bridge weight and traffic as the likely cause. Sadly, the bridge had been deemed structurally deficient, all the way back to 1991. This was an avoidable tragedy we must never see happen again.

Ensuring adequate Federal funding for inspection, necessary upgrades, and bridge replacement is a priority for my constituents in eastern North Carolina. As we consider reauthorizing the surface transportation programs, I urge you, Madam Chair, to provide adequate funding for critical transportation projects, to ensure public safety, and create jobs.

Specifically, I urge you to support the President's $23 billion budget request for the U.S. Department of Transportation. The bridge program was funded at $5.3 billion in 2010, but even more funding was needed. In 2010, nationwide, 24.3 percent of bridges were considered deficient. And out of 19,000 bridges in my State, 29 percent are rated as deficient or obsolete. That is a chilling statistic. The North Carolina Department of Transportation has indicated replacing those bridges in a timely manner will be a considerable challenge.

I represent a large rural district in eastern North Carolina. And, as you know, most deficient and obsolete bridges are, indeed, in rural areas. The most recent Bureau of Transportation statistics report showed that 69 percent of deficient and obsolete bridges were in rural, local bridges. The need for improved transportation infrastructure in my district is very clear. Many bridges in rural eastern North Carolina are deteriorating, and pose unacceptable safety concerns. In numerous cases, bridge use is limited or restricted because the infrastructure cannot support the weight or dimensions of modern vehicles. Nearly 600 bridges in my district are rate deficient or obsolete. That is 600 bridges.

Elizabeth City, North Carolina, the home to a U.S. Coast Guard air station, has an obsolete bridge spanning the Pasquotank River, set to be replaced in summer of this year. Replacing the bridge will cost over $96 million, and my State depends on 77 percent of those funds to come from us. The project will improve safety for large volumes of traffic and repair sinking roads and sidewalks.

The town of Havelock, the home of Cherry Point Marine Air Station, has a deficient bridge spanning the Slocum Creek. Without significant investment, the bridge cannot meet safety requirements, and will continue to pose a threat to public safety. Our DoT has already determined that there is an immediate need to correct structural deficiencies in the pilings supporting the structure, and has moved the schedule start date for the project from 2019 to 2013. My district needs additional funding from the Federal Government to make the project a reality.

States and municipalities depend on Federal funding to make necessary safety improvements, and to help restore bridges like the two that I have mentioned. Madam Chairman, we must retain a distinct bridge program to ensure that FHWA and States like North Carolina continue to have flexibility to upgrade our Nation's aging bridge infrastructure. I urge my colleagues to support the President's budget request to adequately fund the U.S. Department of Transportation and the distinct highway bridge program.

Madam Chairman, Ranking Member, I want to thank you for this time. I wanted to save my accolades to the end, to make sure that I had enough time to make my statement, but I appreciate your opening up your hearing and allowing us to come by and share these comments with you. It is a very significant issue that we are facing.

Thank you.

Ms. SCHMIDT. Thank you very much. Do you have any comments?

Mrs. NAPOLITANO. No comments, necessarily—or no questions, necessarily, but comments on thanking our Members for coming in and giving a viewpoint of their own areas, because that is key.

But I hear the same subject, the same topic, the same goal is get it done.

Mr. BUTTERFIELD. Yes, absolutely.

Mrs. NAPOLITANO. Thank you.

Mr. BUTTERFIELD. Thank you.

Ms. SCHMIDT. Thank you. Next, Congressman Tonko from New York. Nice to see you again this morning.

Mr. Tonko and I see each other at 7:00 Mass in the morning.

Mr. TONKO. We get our fueling.

Ms. SCHMIDT. We do. We get our forgiveness and our prayers at the same time, right?

Mr. TONKO. We need them.

Ms. SCHMIDT. Amen.

Mr. TONKO. Thank you, Chair Schmidt and Ranking Member Napolitano, and respected members of the committee. I want to sincerely thank you for giving me the opportunity to speak here today.

I represent the 21st Congressional District in the State of New York, also known as our capital region. My area is home to the convergence of two great highway systems, Interstate 87 and Interstate 90, also known as the Thruway and the Northway. We are also home to the Erie Canal and Barge Canal basins—some of the busiest freight and passenger rail tracks in the country—the Port of Albany, multiple airports, a system of locks, dams, and reservoirs, and much, much more.

As we work together to create long-term transportation policy that reauthorizes the highway trust fund, there are a few areas of interest I would particularly like to highlight. Those would include green corridors, high-speed rail, clustering upgrading aging urban cores, and smart transit. However, I am here before you today to focus on one issue in particular, that being truck parking facilities. Last session of Congress I introduced Jason's Law, H.R. 2156.

Now, I would ask you if you could kindly picture this. A hardworking mother with a 2-year-old son in upstate New York. She and her husband are pregnant with twins. One late winter morning, she says good-bye to her husband as he heads out the door on another truck run. This particular run finds the rig filled with milk, and the destination is South Carolina. She has said good-bye to her husband hundreds of times before. Only this time, he does not come back. On March 5, 2009, that is exactly what happened to Hope Rivenburg. Her husband, Jason Rivenburg, was foolishly murdered in South Carolina while sleeping at an abandoned gas station along a highway. His murderer stole a meager $7 from Jason's wallet after shooting him in the cab of his truck.

That is why I introduced Jason's Law. This bill would rectify the dire shortage of safe parking for trucks, and improve the conditions at current truck parking facilities. We must ensure that our drivers have safe rest areas with parking for commercial motor vehicles, parking facilities next to truck stops and travel plazas, and new facilities for parking, including weigh-in inspection stations.

Additionally, we must improve facilities that are closed on a seasonal basis, and improve the geometric design of interchanges on the national highway system for better access to commercial motor vehicle parking facilities. Small businesses are the heart of the engine that drives our economy. If we require our truck drivers, who are themselves small business owners, to continue to ramp up their deliveries to small businesses, and even major corporations, we need also to ensure their safety.

Jason's Law, by investing in infrastructure and helping to buttress State budget shortfalls, does just that. In these difficult economic times, we need to continue to pay attention to our role, to protect public and worker safety, especially where regulations mandate their necessity. I believe that is part of the reason that my bill garnered the bipartisan support of 45 Members in the 111th Congress. As we move forward in the 112th Congress, I look forward to working with my new colleagues in the majority and the distinguished members of this committee to advance safe, stable, and reliable truck parking facilities.

The trucking community is rightfully worried about changes to the hours of service, ability to find and comply with parking regulations and detention time. We are hearing from truckers on these topics each and every day, and it is my hope that Jason's Law will help to alleviate some of these fears and angst.

I want to close my remarks this afternoon with these following words, written by songwriters Barry Allen and David Ayers in tribute to Jason. I quote, "Jason drove that truck, reaching for that blue collar dream. Hard-working man, making a living driving that big machine. He loved his son, Joshua, and Hope, his wife. But for $7 he lost his life. With nowhere to rest in between his loads, he was shot to death on the side of the road. Say a prayer for Jason, say a prayer for Joshua and Hope. Say a prayer for all the truck drivers stuck out on the road. Say a prayer, say prayer, say a prayer."

Chairman Schmidt and Ranking Member Napolitano and distinguished members on this committee, I would like to thank you for letting me testify before you today, and I would only end with this. While saying a prayer is always a good decision and a helpful measure, I hope that I can work with each and every one of you to ensure that enactment of Jason's Law and make safe truck parking a reality for anyone that seeks it. And certainly, it is a way to answer the prayers of Hope and Jason's family and friends.

Thank you, Madam Chair, and I yield back.

Ms. SCHMIDT. Thank you. And I just have one question for you. The murderer of Jason, has he been convicted yet?

Mr. TONKO. Yes, he has.

Ms. SCHMIDT. And what was his sentence?

Mr. TONKO. It was a number of years. I know that the family also went—it was very difficult on his widow.

By the way, Hope delivered twins just weeks after the murder.

Ms. SCHMIDT. So they will never know his father, their father.

Mr. TONKO. No.

Ms. SCHMIDT. God be with that family. Do you have anything to say?

Mrs. NAPOLITANO. Mr. Tonko, I agree with you. Unfortunately, the time when there is land for a lot of these rest areas to be made available, since land has become so expensive for a lot of our entities to provide these rest areas, it behooves us to start looking at Federal land or State land that can be leased, not necessarily sold, and developed for specifically that project, especially off of freeways, because there is right of way that is there.

So you might want to look at how we may be able to allow the State or the county governments or others to look at what area they are not using that can be possibly allowed to permit, if you will, these entities, these truck drivers to be able to rest.

Mr. TONKO. Absolutely. And I think also there is an opportunity to work with that same concept with State lands, because it does a partnership with private sector and public sector, so as to encourage the safe infrastructure that Jason so desperately needed.

He showed up at his destination early. But with some of the changed requirements, they cause you to go and find a spot other than that delivery point. And so he was just ahead of schedule, and went to get rest, and the tragedy occurred.

But, you know, I firmly believe that if we, as a government, are requiring certain demands of the trucking industry, of the trucker, and we do that in the name of public safety, everyone is benefitted by it, and we need to act accordingly, and we have to be there to provide the infrastructure to enable them to respond to the demands on their travel schedule and on their operations.

Mrs. NAPOLITANO. Well, and just a little beyond that, I think we need to also look at the causes for some of these individuals to go out and commit crimes, whether or not they are mentally stable, unstable, whether they are on drugs, and be able to have ability to go back to the providers of those drugs and others and slap some fines, or either—do something to be able to look at the root cause of some of these people taking these—how would I say—drastic measures to rob people.

Mr. TONKO. Absolutely. And having witnessed the hardship that has befallen, and the—just the sense of loss upon this family just compels me to work to get this done. And we have been reaching out to Members in the majority to make it happen, because I think it is essential.

You know, she has been under such stress and has responded so valiantly and courageously, that it is impressive. And I think it is a way to work through tragedy, to have his life not be in—or his death not be in vain.

Mrs. NAPOLITANO. Was he an independent truck driver?

Mr. TONKO. Yes, he was. And, actually, had other career situations. But as a good, solid provider, he was filling his winter months with this added income. So—and the place he pulled into was definitely unsafe.

Mrs. NAPOLITANO. Thank you for your testimony.

Mr. TONKO. Thank you so much.

Ms. SCHMIDT. Thank you very much. I would like to thank each Member for your testimony today. Your contribution to today's discussion has been very informative and helpful.

I ask unanimous consent that the record of today's hearing remain open for 30 days to allow additional Members to provide policy proposals to be included in the record of today's hearing.

[No response.]

Ms. SCHMIDT. Without objection, so ordered. If no other Members have anything to add, this subcommittee stands ready to adjourn.

[Whereupon, at 12:41 p.m., the subcommittee was adjourned.]

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Earl Blumenauer

Congressman Earl Blumenauer

Testimony in front of the Transportation and Infrastructure Committee

April 5, 2011

I appreciate the opportunity to speak with the Committee today about the Surface Transportation Reauthorization. The Surface Transportation Bill presents Congress with a number of very important opportunities: to put Americans to work with family wage jobs, to invest in our communities, to move people and goods from place to place as efficiently as possible, and to renew and rebuild America.

First and foremost, I hope that the transportation bill will improve flexibility within our transportation system. Americans want more transportation choices, and they believe that their government should invest in more than one type of transportation. A recent poll done by the National Association of Realtors shows that over 50% of Americans think we should invest more in public transit and active transportation options, instead of only investing in traditional roadbuilding projects. Americans don't want to be forced into their cars—they want to choose a mode that works for them, whether that's transit, driving, walking, biking or rail. The impact of congestion on the US economy has increased 459% in the past thirty years, reaching $115 billion in 2009. We should increase transportation system capacity in a way that is cost efficient, invests in our communities, and provides Americans with the options they want and deserve.

As communities invest in transportation, the federal government should be a willing partner, not another obstacle. Through multimodal grants in cooperation with the Partnership for Sustainable Communities, the Department of Transportation has worked efficiently with communities to decrease red tape, ensure government coordination, and fund projects supported by multiple stakeholders. The demand for this type of program is obvious; in the first round of grant-making, 1,456 communities applied for funding and only 51 projects were awarded. Demand was 40 times greater than available funding. The Sustainable Communities Partnership is an excellent example of a government program that coordinates government spending to help communities implement projects quickly. I hope that this Committee will use the Partnership as a blueprint for more effective, efficient government programs.

In addition to helping the government be a better partner, the transportation bill also presents an opportunity to reframe the regulatory debate. Chairman Mica and others on this committee have spoken adamantly about the need for regulation reform, and I agree that the way we regulate could be improved. Regulations are important: they ensure that important environment and health protections are met, that communities are engaged, that projects are fully thought through and the appropriate planning is completed. But what is really important is not the process itself, but the results.

Having agencies dictate specifics is not the most innovative, cost-effective or timely process, but there is an alternative: why not give parties latitude on how to comply with the standards as long as the standards are met or exceeded? For example, California's environmental regulations are stronger than the federal government. In this instance, it does not make sense to force California to fill out both sets of paperwork. What matters is that projects meet the goal, now how they get there. I believe that we can create regulations based on performance, not process, that deliver better results, require less time and impose a smaller burden on communities. I look forward to working with the Committee and the Administration on this proposal.

Finally, none of the changes we would all like to see will be made without adequate funding. Without additional revenue Congress cannot hope to deliver what our communities and our constituents expect. The American Society of Civil Engineers estimated that we need $1.258 trillion of investment over the next five years to bring our transportation system to basic safety and service levels. We cannot afford to let our bridges and our roads and our transit systems fall apart. I have testified previously in front of this Committee and the Ways and Means Committee on the importance of infrastructure investment, and my commitment to work with all of you to find a solution.

There is no doubt that our funding problems are getting worse. In real dollars, the funds we receive from the gas tax have half as much power as they did in 1992. As our cars get more and more efficient, we will see even smaller returns to the Highway Trust Fund. Last Congress I introduced H.R.3311, to expand upon the Vehicle Miles Travelled pilot program established in SAFETEA-LU. This is an obvious next step towards Trust Fund solvency, and I hope that this Committee will consider it. In addition, while we look at the larger picture, there are small steps we can take, such as switching from an excise tax on truck sales to a slightly higher fuel tax. This change would increase stability in the Trust Fund and help with fleet modernization.

The path forward is not as difficult as we sometimes think it is. We know what we need to do, we simply need to summon our political courage and move forward.

Reauthorizing the Surface Transportation Bill, at an appropriate level of investment, is the fastest way to put Americans back to work. We have an obligation to our communities, our constituents, and our businesses: to write a bill that provides safe, convenient, efficient options, that creates safe, livable and economically secure communities and that will renew and rebuild America. I appreciate the opportunity to speak with you today and look forward to working with the Transportation and Infrastructure Committee on this vital legislation.

TESTIMONY BY CONGRESSMAN G. K. BUTTERFIELD
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
MEMBERS DAY HEARING RE: REAUTHORIZATION OF SURFACE TRANSPORTATION PROGRAMS
APRIL 5, 2011

Chairman Duncan and Ranking Member DeFazio, thank you for the opportunity to testify before your subcommittee.

As we can all remember, August 1, 2007 was a tragic day. Early that morning, the I-35 West highway bridge in Minneapolis, Minnesota collapsed, leaving 13 people dead and 145 people injured. The National Transportation Safety Board determined that inadequate load capacity created by increases in bridge weight and traffic as the likely cause. Sadly, the bridge had been deemed structurally deficient since 1991.

This was an avoidable tragedy we must never be repeated.

Ensuring adequate federal funding for inspection, necessary upgrades, and bridge replacements is a priority for my constituents in eastern North Carolina.

As we consider reauthorizing surface transportation programs, I urge you to provide adequate funding for critical transportation projects to ensure public safety and create jobs. Specifically, I urge you to support President Obama's $23 billion budget request for the U.S. Department of Transportation.

The FHWA bridge program was funded at $5.3 billion in 2010, but even more funding was needed. In 2010, nationwide 24.3 percent of bridges were considered deficient, and out of 19,000 bridges in North Carolina, 29 percent are rated as deficient or obsolete. The North Carolina Department of Transportation has indicated replacing those bridges in a timely manner will be a considerable challenge in the coming years.

I represent a largely rural district in eastern North Carolina and, as you know, most deficient and obsolete bridges are in rural areas. The most recent Bureau of Transportation Statistics Report showed that 69 percent of deficient and obsolete bridges were rural local bridges.

The need for improved transportation infrastructure in my district is clear. Many bridges in rural eastern North Carolina are deteriorating and pose unacceptable safety concerns. In numerous cases, bridge use is limited or restricted because the infrastructure cannot support the weight or dimensions of modern vehicles. Nearly 600 bridges in my district are rated deficient or obsolete.

Elizabeth City, the home to a U.S. Coast Guard Air Station, has an obsolete bridge spanning the Pasquotank River set to be replaced in summer 2011.

Replacing the bridge will cost over $96 million and North Carolina depends on 77 percent of those funds to come from the federal government. The project will improve safety for large volumes of traffic and repair sinking roads and sidewalks.

Havelock, the home to Cherry Point Marine Corps Air Station, has a deficient bridge spanning Slocum Creek. Without significant investment, the bridge cannot meet safety requirements and will continue to pose a threat to public safety. NCDOT has already determined that there is an immediate need to correct structural deficiencies in the pilings supporting the structure and has moved the scheduled start date for the project up from 2019 to 2013. My district needs additional funding from the federal government to make the project a reality.

States and municipalities depend on federal funding to make necessary safety improvements and to help restore bridges like Elizabeth City's and Slocum Creek's to sustainability.

Mr. Chairman, we must retain a distinct bridge program to ensure that FHWA and states like North Carolina continue to have flexibility to upgrade our nation's aging bridge infrastructure. I urge my colleagues to support the President's budget requests to adequately fund the USDOT and the distinct Highway Bridge Program.

Thank you very much.

Representative Steve Chabot Testimony before the Highways and Transit Subcommittee of the House Committee on Transportation and Infrastructure
April 5, 2011

Thank you, Chairman Duncan and Ranking Member DeFazio, for the opportunity to testify today. Congressman Davis, I want to take this opportunity to thank you for your continued leadership on this issue and look forward to working with you and Congresswoman Schmidt as this Congress moves forward with a transportation bill.

Like Congressman Davis, I am also here to support the authorization of a program in the 2011 transportation bill to include projects of regional and national significance. We need to be pragmatic in our approach to this transportation bill, ensuring that every dollar spent represents a long-term investment that will improve the flow of commerce and create American jobs. We must recognize that, although we face significant budget challenges, the basic infrastructure of our nation must be a top priority.

In Cincinnati, we have a project of regional and national significance that I believe is the type of project Congress needs to consider while taking up the highway bill. The Brent Spence Bridge is not only critical to our local economy, but like Congressman Davis said, it is a major commercial artery connecting the Midwest with the South. The annual value of freight crossing the bridge exceeds $400 billion – that's a little over 3% of our national GDP crossing one bridge! And by 2030 the value in real dollars is expected to more than double to $800 billion.

The benefits of a project with that kind of freight value are tremendous. The Brent Spence Bridge project would save an estimated $748 million in congestion costs annually, savings that would grow in real dollars to $1.3 billion annually by 2030. A 2009 study done by the Texas Transportation Institute concluded that completing the Brent Spence Bridge project would save 2.9 million person-hours of delay, 210,000 vehicle-hours of delay, and 1.22 million gallons of fuel every year. Over the next 20 years, this would result in $18.9 billion in benefits for commuters, shippers, and manufacturers.

The numbers are powerful on their own, but with freight serving as a key determinant of our economic competitiveness in the new global economy, projects like the Brent Spence Bridge carry even greater significance. With the price of oil at over $100 a barrel and freight traffic scheduled to increase by 10% by 203

0, our ability to efficiently move goods within our nation's borders is critical to keeping the price of American goods low and competitive in the global marketplace.

It is no secret that our country faces serious economic challenges. Our national debt is out of control and that is due in large part to poor decisions and wasteful spending of taxpayers' money. Those of us in Congress are consequently forced to make tough choices on how to wisely invest in projects on their merits, not on their politics. We owe it to the American people to invest only in those projects that will produce long-term savings, keep us competitive, and most importantly, create American jobs.

Like my friend and colleague Congressman Davis, I strongly urge you to ensure that the 2011 highway bill authorizes funding for projects of regional and national significance. Thank you for your time and consideration.

"Policy Proposals from members of Congress to Reform the Nation's Surface Transportation Programs"
Transportation and Infrastructure Subcommittee on Highways and Transit
Rep. Judy Chu
Tuesday April 5, 2011

Good morning. Los Angeles is one of the most congested and polluted counties in the nation. And now more than ever, we need a transportation system that will create jobs.

That's why it's so critical that we move forward on a surface transportation authorization. In fact, I was pleased to be able to share my thoughts on how we can improve transportation policy at the Joint Senate and House Transportation Field Hearing in Los Angeles just a month and a half ago. And that's why I am here today – to reiterate our region's most important priorities and urge you to include my suggestions in any draft surface transportation bill.

To that end I would like to ask that you include in the record the Los Angeles Country Metropolitan Transportation Agency's detailed proposal they call America Fast Forward, also known locally as the 30/10 Plan.

America Fast Forward – 30/10 Plan
In 2009, LA County approved a 30 year transportation plan that aims to build 12 transit projects connecting millions of people across the nation's largest county. LA County residents approved a half cent sales tax to build them. That's right, during a recession, residents agreed to tax themselves more! Our region desperately needs this investment. And I'm so proud that Angelinos are ready and willing to pay for it.

But our air is too polluted and our roads too congested to wait three decades for a real 21st Century transportation system. Instead we want to do it in just 10 years.

We want to leverage our local dollars and stretch the federal transportation dollars coming out of the U.S. Department of Transportation's budget. And with the federal government's help to augment this serious investment in local transportation, together we can create nearly a million annual private sector jobs in just a decade!

Now how do we propose to do this? By enhancing the Transportation Infrastructure Finance and Innovation Act (TIFIA) program through reforming six provisions.

1. Increase the annual funding from $122 million to OVER $500 million annually.

2. Increase the maximum TIFIA share from 33% to 49%

3. Broaden eligibility to include programs of related projects – not just one project per TIFIA loan.

4. Authorize the USDOT to make upfront Master Credit Agreement for larger projects and programs.

5. Authorize USDOT to offer a limited interest rate hedge for Master Credit Agreements.

6. And last – to eliminate the "springing lien" for certain types of loans.

But that's not all. The surface transportation bill should also create of a new class of qualified tax credit bonds, called "Qualified Transportation Improvement Bonds" (QTIBs). These qualified tax credit bonds are taxable rate bonds issued by state, local or other eligible issuers. The federal government would subsidize the interest cost by granting investors annual tax credits in lieu of interest. These bonds would be authorized in the amount of $4.5 billion per year over the next ten years. This would allow issuers to finance more than twice the dollar value of capital improvements than is possible with traditional tax-exempt bonds. Stimulating greater investment and taking pressure off conventional federal grant programs.

ACE Policy Proposals

But Southern California's transportation challenges are about more than just roads and transit. The region handles more than 40 percent of our nation's shipping containers -three-quarters of which leave destined for markets outside the area. And many of these goods travel on freight rail, right through my district, creating congestion and safety hazards for my constituents.

Now our state and communities have made significant local investment in making local grade separations safer, particularly through the Alameda Corridor East Project in the San Gabriel Valley. These investments allow trains to go faster through the corridor, getting those goods out to the rest of the nation more quickly, and saving lives.

But we need federal help to finish the job. The surface transportation bill should create a national freight infrastructure investment program for designated freight corridors and gateways to provide funding for freight projects. This program should prioritize nationally significant projects, and their impact on interstate and foreign commerce, efficiency and environmental impact should be considered.

Port authorities, municipalities and units of local government should be able to receive these grants and funding should support projects through to completion similar to a Full Funding Grant Agreement for transit projects. These changes would strengthen long-term economic recovery by supporting the more efficient movement of American exports and imports and creating jobs!

Conclusion

Now let me be clear, this isn't just about Los Angeles, it's about making our federal tax dollars stretch just a little bit further. And this type of reform will encourage other areas to follow in our footsteps. And when local communities raise their own money, the nation and the tax payers get the most bang for their buck! So I urge you to include these proposals in any draft legislation.

Representative Geoff Davis
Testimony before the Highways and Transit Subcommittee
of the House Committee on Transportation and Infrastructure
April 5, 2011

Thank you, Chairman Duncan and Ranking Member DeFazio, for the opportunity to testify today.

Congressman Chabot and I are here today to discuss the necessity for Congress to develop and prioritize a program to finance nationally-vital transportation projects where costs cannot be borne by one or two States alone.

An example of such *critical infrastructure* project is the Brent Spence Bridge which, as you can see from our first handout, is a vital interstate highway structure on the critical north-south I-75 corridor that crosses the Ohio River between our two districts. As you can see from the second handout, one-third of the population of the United States lives within 275 miles of this corridor. The Brent Spence Bridge carries more than 3% of our GDP across the Ohio River annually. The replacement of this bridge is critical to America's economy.

As your subcommittee begins to develop core elements of the surface transportation reauthorization, we submit that a new process by which nationally-vital transportation projects can be addressed and funded should be developed for the economic well-being of the nation as a whole. Specifically, we must develop a rational process whereby *critical infrastructure* projects will be objectively identified and funded based upon merit. The 2011 surface transportation authorization presents one of the most significant opportunities to fulfill that need.

Despite our best efforts over the course of previous surface transportation authorization bills, Congress has not established a sufficient mechanism for funding *critical infrastructure* projects where costs are so high they cannot be funded by one or more States. For example, the Brent Spence Bridge project will ultimately cost between $2 and $3 billion to complete, a burden which Kentucky and Ohio cannot shoulder alone. It would take a generation or more to fund this one project under current highway trust fund allocations to our States.

The Brent Spence Bridge enables more than $400 billion of commerce to travel from origin to destination annually. With Interstate truck traffic projected to grow by ten-percent by 2030, the bridge in its current state will gridlock a vital national corridor causing lost income, wasted fuel and reduced employment because we cannot efficiently deliver goods to customers.

However, Ohio and Kentucky would both have to dedicate their entire highway transportation infrastructure budgets to the exclusion of everything else in order to fund the Brent Spence Bridge project. This is fiscally unrealistic and would in any case be unreasonable given that the benefits of the project flow to the nation, not just two States.

Major transportation bottlenecks cause thousands of hours of delay and have a negative impact on individual travelers, commuters, families, truckers, shippers and receivers particularly when the routes they travel are hostage to underfunded *critical* infrastructure nodes of national significance.

The Woodrow Wilson Bridge between Maryland and Virginia, just southeast of downtown Washington, D.C., is traveled daily by some in the room today. In 1993, 200,000 vehicles crossed that bridge every day. The Woodrow Wilson Bridge carries Interstates 95 and 495 across the Potomac River. The bridge supports a transportation corridor of national significance connecting the southeastern and northeastern United States. At the time, the U.S. Department of Transportation estimated that the value of the freight trucked across this bridge was equivalent to 1.3 percent of the entire gross domestic product of the United States.

By the mid-1990s the bridge was carrying 250% of the traffic volume for which it was designed. The bridge only had three lanes with five highway lanes worth of traffic trying to squeeze through. The bridge had become a bottleneck with national significance, causing tens of thousands of hours of delay to American travelers and commerce.

Neither Maryland nor Virginia could assume the $2.5 billion cost of this project which was several times the annual statewide infrastructure budgets for both States. Additionally, there was no federal program to fund projects that impact the nation as a whole. If Congress had not prioritized special funding for the Woodrow Wilson Bridge - funding that paid for the majority of the cost of the project - the Woodrow Wilson Bridge may have come close to closure with economic impacts felt far beyond the D.C. metro area.

Congress helped resolve the funding issue, and the Woodrow Wilson Bridge project was completed. However, resolution was cobbled together through exception and not a cohesive or strategic decision-making and prioritization like the one we are advocating for today.

The 2011 surface transportation authorization must include a mechanism for dealing with *critical* infrastructure projects like the Wilson Bridge with a national economic impact. Funding such projects will also hasten economic recovery and put Americans back to work.

As we have noted, a current example of a project impacting the nation as a whole is the Brent Spence Bridge which crosses the Ohio River between Kentucky and Ohio in Cincinnati.

Not only a vital conduit of goods and people across the Ohio River, the bridge also connects Canada to Florida via I-75 as well as Ohio to the western United States via I-71. The bridge also feeds traffic and freight into Chicago via I-74 and all the way to Alabama via I-65. The Brent Spence Bridge affects commerce in over sixty congressional districts in Georgia, Florida, Illinois, Indiana, Iowa, Kentucky, Michigan, Ohio and Tennessee.

The Brent Spence Bridge, completed in 1963, was designed to carry 80,000 vehicles per day. In 1986, the breakdown lanes were removed to accommodate increased traffic. The bridge will soon have to accommodate nearly 200,000 vehicles per day. The Brent Spence Bridge is functionally obsolete.

Again, the bridge is illustrative of projects that impact the nation as a whole. It carries over $400 billion in freight annually across the Ohio River for the American economy. That is approximately three-percent of the U.S. gross domestic product in 2010. By 2030, the amount of freight is expected to increase to $813 billion, annually. In other words, the Brent Spence Bridge is *critical* infrastructure *for* the American economy.

According to the Federal Highway Administration, completion of the project would support 64,000 jobs. Additionally, a study by the Texas Transportation Institute states that congestion attributable to the Brent Spence Bridge costs 3.6 million person-hours of delay each year for passenger cars and 240,000 vehicle-hours of delay for commercial vehicles. The study notes that if the project was completed today, delay for passenger cars would be reduced by eighty-percent and delay for commercial vehicles would be reduced by eighty-eight percent.

The Brent Spence Bridge is one example of a transportation mega project that is *critical infrastructure* to the American economy.

I urge all my colleagues to ensure the 2011 surface transportation reauthorization bill authorizes a program and provides a funding mechanism for *critical infrastructure* projects that impact the nation as whole.

Finally, I would like to express my tremendous appreciation to Steve Chabot for his partnership in our effort to achieve something so important for our nation.

Thank you for your time and consideration today.

THE HON. ROSA L. DELAURO
TESTIMONY BEFORE THE SUBCOMMITTEE ON HIGHWAY AND TRANSIT
TUESDAY, APRIL 5TH, 2011

Thank you. It is good to be with you.

I want to thank Subcommittee Chair Duncan and Ranking Member DeFazio for giving me the opportunity to testify about the National Infrastructure Bank concept.

In addition, I recently went on a CODEL and discussed transportation infrastructure with Chairman Mica.

And I, along with my staff, have discussed the proposal at length with the office of Representative Shuster of the Committee as well. He generously spent some time up in Connecticut earlier this year looking at our high-speed rail development in the Northeast Corridor. Thank you all for your leadership.

First, I want to commend the subcommittee for its recognition that investment in transportation infrastructure is critical to job creation and economic growth.

Everyone here understands that we need to make wise investments with our limited resources, and that investments in infrastructure pay enormous dividends in jobs and prosperity.

If you will permit me to quote you this morning, Mr. Chairman, you said in a hearing last week that this Subcommittee "will also be looking at innovative financing. Bonding, loan programs and public private partnerships are just some of the innovative financing techniques that the Subcommittee can utilize to leverage the Nation's limited Highway Trust Fund dollars."

In addition, the Chairman said, quote, "we should consolidate duplicative federal programs to eliminate waste and eliminate programs that do not serve a national need."

Mr. Chairman, I agree with the entirety of these statements. In fact, these hit on the exact goals and purpose of the National Infrastructure Bank.

The legislation I introduced would establish a National Infrastructure Bank as a government-owned corporation managed by an independent Board of Directors and staffed with experts in finance and infrastructure. It would leverage private dollars to invest objectively in a broad range of infrastructure projects of national and regional significance with clear economic, environmental and social benefits.

On the lending side, the bank as I envision it would leverage private dollars by issuing bonds that will attract interested institutional investors with proceeds used to provide loans and loan guarantees to projects.

On the borrowing side, the private sector can partner with the public sector – regions, states and localities – to borrow from the Bank, while adding its own private equity.

The bank takes a broad view of our infrastructure needs. It provides funding to projects that cross jurisdictions and prioritizes those with additional sources of financing that can be completed more promptly with assistance from the bank.

Authorized appropriations would capitalize the bank, which would then lend money to projects with identifiable and reliable revenue streams, so that loans are paid back and the bank becomes a self-sustaining entity.

To be clear, the purpose of a National Infrastructure Bank is to supplement and not supplant current funding mechanisms. I am a strong supporter of a robust surface transportation reauthorization measure as well, and believe this should be part of that effort.

The Infrastructure Bank concept acknowledges what we all know, that current Federal programs are simply unable to provide the investment needed to meet the infrastructure investment deficit we face.

According to the National Surface Transportation Policy and Revenue Study Commission, $225 billion is needed a year for the next 50 years to upgrade our surface transportation system to a state of good repair and create a more advanced system.

Particularly in light of our current fiscal situation, now is the right time to move forward with this innovative finance proposal.

Over the past month, I know this Committee has conducted a series of sixteen field hearings and listening sessions around the country to gather input from states and local communities. It is seeking input from the transportation community for the surface transportation reauthorization.

I suspect many of them would advise that they support a National Infrastructure Bank. The concept has received a wide range of support from the business, labor and investment communities, as well as a bipartisan group of Governors and Mayors and a variety of advocacy groups.

In fact, a bipartisan counterpart to my legislation has been introduced in the Senate by Senators John Kerry, Kay Bailey Hutchison, Mark Warner and Lindsey Graham.

In sum, by leveraging private dollars, streamlining and focusing our infrastructure investment decisions, funding projects critical to economic growth and creating good well paying jobs, a National Infrastructure Bank can help meet the goals the Committee has set out for the surface transportation reauthorization.

I hope we can come together to craft an authorization for a National Infrastructure Bank that can attract the type of bipartisan support within the House that the proposal has enjoyed for years outside the institution.

Republican or Democrat, we all know that transportation and infrastructure investment creates jobs and revitalizes the economy. I really believe the Bank will help us put America back to work.

Thank you, and I look forward to working with the subcommittee on this initiative.

CONGRESSMAN JOHN GARAMENDI

Committee on Transportation and Infrastructure - Subcommittee on Highways and Transit

"Member's Day"

Tuesday, April 5, 2011
2167 Rayburn House Office Building

Testimony of Congressman John Garamendi

Members of the Subcommittee:

America is a beacon of hope, a global powerhouse and the land of opportunity.

We must rebuild our once robust manufacturing sector, repower our factories and assembly lines, hire the working men and women of this great nation, and restore America's once prospering middle class.

Make it in America
To "Make it in America", we must:
- Leverage our taxpayer dollars and Buy American supplies and products to jumpstart our economy
- Have a well-educated and trained workforce
- Research cutting-edge technologies
- Offer incentives to construct factories and purchase American-made equipment
- Build transportation infrastructure and public works
- Sell "Made in America" goods and services to the entire world

H.R. 613, Airports, Highways, High-Speed Rail, Trains, and Transit: Make it in America Act

To achieve this mission, I have introduced H.R. 613, Airports, Highways, High-Speed Rail, Trains, and Transit: Make it in America Act.

The bill would create American jobs by strengthening Buy America requirements applicable to airports, highways, high-speed rail, trains and transit, increases domestic content provisions for airports and rolling stock from 60% to 100% over time and eliminates public interests and non-availability waivers.

Please consider co-sponsoring my legislation and include in the next surface transportation reauthorization legislation.

Surface Transportation Reauthorization

Next, I support President Barack Obama's efforts to:

- Enact a six-year, $556 billion surface reauthorization plan to modernize the country's surface transportation infrastructure, create jobs, and invest in our future
- Jump-start productive investment with a first-year funding boost of $50 billion
- Provides $8 billion in 2012 and $53 billion over six years to reach the President's goal of providing 80 percent of Americans with convenient access to a passenger rail system, including high-speed service, within 25 years.
- Includes $30 billion over six years for a pioneering National Infrastructure Bank to invest in projects of regional or national significance to the economy.
- Continues to invest in the Next Generation Air Transportation System—a revolutionary modernization of our aviation system.
- Provide $10 billion bring our nation's transit system into a Bus and Rail State of Good Repair
- Invest in our Livable Communities and encourage alternative modes of transportation

Northern California-San Francisco Bay Area Transportation Needs
According to the San Francisco Metropolitan Transportation Commission, "the Bay Region embraces the nine counties that touch San Francisco Bay (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma) and includes 101 municipalities. More than 7 million people reside within its 7,000 square miles."

"There are eight primary public transit systems as well as numerous other local transit operators, which together carry nearly 500 million passengers per year. The region's varied geography has given rise to a diverse range of public transit modes: antique cable cars and historic streetcars; high-speed ferries; diesel commuter rail and electric-powered rapid transit rail; diesel and natural gas buses; and electric trolley buses. The combined annual operating budget of the transit agencies is over $2 billion, placing this region among the top transit centers in the nation.

"In addition, there are numerous specialized services for elderly and disabled travelers (referred to as para-transit service), nearly 20,000 miles of local streets and roads, 1,400 miles of highway, six public ports and three major commercial airports."

I believe we must invest in:

- **Transit Systems**
  - BART System and New Rail Car Procurement
  - Bus and Rail State of Good Repair
  - Bus Rapid Transit
  - Bus Hydrogen Fuel Cells
- **Amtrak: Passenger Rail**
  - Amtrak Capitol corridor
  - Amtrak San Joaquins corridor
  - Amtrak Pacific Surf liner corridor
- **Airports**
  - San Francisco International Airport
  - Oakland International Airport

  - San Jose International Airport
- **Maritime, Ports and Waterways**
  - Port of Oakland
  - Port of West Sacramento
  - Port of Stockton
  - Dredging through the San Francisco Bay and Sacramento-San Joaquin Delta to the Port of West Sacramento and Port of Stockton
- **High Speed Rail System**
  - The entire California system: from the Bay Area through the Altamont Pass to the Central Valley and to Southern California
- **Livable Communities**
  - Bicycle Trails
  - Pilot Bicycle Share Programs
- **Highways Corridors**
  - Interstate 80 corridor
  - Interstate 680 corridor
  - Interstate 580 corridor
  - State Route 4 corridor
  - State Route 84 corridor
- **Pipeline Safety and Security**

Conclusion

We must increase our local, state and national investment in our transportation infrastructure. The movement of people and goods, efficiently, effectively and environmentally, is critical to our economic growth and long-term economic prosperity.

Congressman Gene Green
April 5, 2011
Testimony to Subcommittee on Highways and Transit

Mr. Chairman and Ranking Member, thank you for allowing me to testify today. I understand the fiscal challenges we face, but I also believe that we must do more to improve our nation's transportation system.

Transportation funding, particularly for highways and transit, is particularly important for my constituents and the entirety of the Greater Houston area. We have a congestion problem in Houston. We have done a lot to reduce this congestion, but more must be done. We also have the largest port for foreign tonnage and largest petrochemical complex in our country along the banks of the Port of Houston.

In the years ahead, we will face a much higher traffic volume due to population growth and the expansion of the Panama Canal, which will bring more truck traffic and economic development to the area. In order for Houston and our Port to continue to be a hub for commerce, we must strengthen our rail and road infrastructure. Both a successful port and a growing local economy rely on well maintained roads and bridges. Communities around our country must improve its transportation infrastructure in order to encourage businesses and economic development.

With a population of 6.1 million, the Houston area relies on highway funding. Texas is a donor state; we pay more into the Highway Trust Fund than we receive. As a result, it is important that percentages are maintained so that we do not lose any more of the money that Texas pays into the fund. Ideally, under a new bill, our percentage is increased.

Right now is the best time to fund construction projects. With the recent downturn in the economy, construction projects have decreased in costs. The Texas Department of Transportation has told me that they saved as much as 20% on projects funded under the American Recovery and Reinvestment Act because costs during the recession went down a great deal. One project I am familiar with, direct connectors between Highway 59 and Beltway 8, on the North Side of Houston was initially estimated to cost $100 million and ended up at a total cost of $36 million.

I am concerned about the increased reliance on toll-roads. They certainly have a place in our system, but we cannot allow two different highways systems to develop: one for the wealthy who can afford the daily budget drain of toll roads and the rest of us who cannot. If the toll roads that are constructed are paid for by the tolls, I believe that expands options for drivers and is generally a good thing. However, I do not support any federal funds being spent on these roads.

While I understand the strain the Highway Trust Fund is experiencing, particularly with the increasing vehicle fuel efficiency, it is important that we fund important highway projects throughout the country. We are at a critical time for our nation in terms of transportation funding. We must fix bridges, expand highways, and increase the capacity of our infrastructure.

Funding for New Starts is important for Houston and I hope will be included in your authorization bill. Houston is currently scheduled to receive its full funding grant agreement for two light rail lines under the New Starts Program this summer.

I am happy that both the Federal Transit Administration and the Department of Transportation have seen the significance of these two projects, which will not only stimulate job creation, but also improve our local transportation infrastructure by providing for affordable mass transit and easing congestion on our highways.

The Houston area has for too long been left behind on transit and these two lines will serve some of the most transit dependent parts of our community.

For that, I am thankful and for the added commerce and economic opportunities these light rail lines will bring these communities.

Highway and transit projects are important to our constituents, so they can get to work and school and they are important to our businesses so they can move commerce. Everyone wins when we increase our investments in our transportation infrastructure.

Written Testimony of the Honorable James P. McGovern
Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
April 5, 2011

As work begins on highway authorization, so too begins another concerted effort to allow super-heavy, unsafe, and inefficient trucks on highways across the country.

Various groups dominated by large shippers and large trucking companies are lobbying congress to raise the maximum weight of single tractor trailer trucks from 80,000 pounds to 97,000 pounds and to allow longer trucks -- longer combination vehicles (or LCVs – like super-heavy and super-long double and triple trailer trucks).

This committee and this body have debated this issue many times before and have nearly always voted against risking the safety of motorists and the pocketbooks of taxpayers by allowing trucks to get even dangerously and destructively larger than they are today.

A lot has changed since our last debate of truck size and weight. Our nation is emerging from the worst economic recession since the Great Depression. States and local governments are facing huge budget shortfalls. And, our transportation infrastructure continues to crumble and our Highway Trust Fund remains underfunded.

Forty-four states and the District of Columbia are facing projected budget shortfalls in FY 2012. Allowing increases to truck size or weight would exacerbate existing transportation funding problems. As the committee is well aware, the Highway Trust Fund continues to face a projected shortfall in the years to come. While this shortfall has been linked to the increasing fuel efficiency of cars and a reduction in travel because of the recession, certainly the subsidy Congress has given the trucking industry has helped create this environment.

The fact of the matter is that heavy trucks on the road today do not pay their fair share. According to the Federal Highway Administration's 2000 Highway Cost Allocation Study, the typical five-axle, 80,000-pound single tractor trailer on the road today only pays 80% of its highway maintenance costs. A long double registered at 129,000 pounds pays only 60% of its costs and a triple trailer truck registered at 110,000 pounds pays only 70%. In 2000, FHWA estimated that heavy trucks underpaid their share of highway costs by nearly $1.9 billion.

This number does not include the underpayment of damage to state and local roads, which is even larger. And since road and bridge construction costs increase much faster than do diesel taxes and truck registration fees, the gap between heavy truck damage to our infrastructure and the user fees paid by the trucking industry continues to widen. While some groups lobbying for bigger trucks have said that they are willing to pay a modest user fee, what they are offering wouldn't begin to cover the full cost of the damage done to the highway infrastructure. It's like offering to pay the tip for a meal and requiring other highway users to cover the full tab.

The tragic collapse of the I-35W bridge in Minnesota in 2007 focused the public's attention on the state of our nation's infrastructure. One out of every four bridges – 151,397 – in the nation is structurally deficient. Almost half of the bridges on the National Highway System are more than 40 years old, which means that they are nearing the end of their useful lives. The average bridge was built at a time when there was less than a third of the truck traffic that there is today and the truck weight limit was 73,280 pounds.

The Illinois Department of Transportation (IDOT) recently conducted a cost-benefit analysis of the impact on Illinois bridges of increasing truck weight to 97,000 pounds. IDOT's conservative estimate shows that these heavier trucks would cost the state an additional $162 million in infrastructure repair and maintenance costs for interstate bridges alone.

Proposals that suggest adding additional axles to the bigger truck configurations would minimize the additional damage these rigs would do to our infrastructure are unsound. While additional axles would help mitigate additional damage to pavement, it would actually *increase* the damage to bridges dramatically.

In addition to the costs associated with bigger trucks, the impacts of bigger trucks on motorists are well documented. As former Chairman Oberstar said on the floor of the House in 2004 when debating SAFETEA-LU:

> *It simply comes down to this: heavier trucks are more dangerous. They are more costly to the Nation's highways. As truck weights increase, fatal accident rates go up, according to the University of Michigan's transportation research study.*
>
> *Heavier tractor-trailers raise the center of gravity of the vehicle and its load, increasing rollovers. Heavier vehicles mean increasing speed differentials with other traffic. Increasing truck weights result in greater brake maintenance problems. Brakes are out of adjustment, trucks take longer to stop. It is just that simple.*
>
> *I have studied this issue for many years. Heavier trucks are worse on the roadway, worse still on bridges, and are involved in a highly disproportionate greater number of accidents.*

As the former Chairman said, this issue has been studied for many years. The most thorough and authoritative examination of truck size and weight issues to date, the U.S. Department of Transportation's 2000 Truck Size and Weight Study, chronicled the safety issues surrounding bigger trucks. According to the DOT Study:

- LCVs could be expected to experience an 11 percent higher overall crash rate than single-trailer combinations;
- LCVs have poor stability and are significantly more likely to experience rearward amplification (the "crack the whip" effect) than singles;
- LCVs also have more axles and brakes, which increase the potential for brake maintenance problems;

- Adding weight to single trailer trucks increases the risk of an accident involving a fatality;
- Heavier singles have a higher risk of rollover; and
- Increasing truck weight is also likely to lead to brake maintenance problems and longer stopping distances.

As the former Chairman said, bigger trucks are more dangerous. In 2009, 74,000 people were injured and 3,380 killed in crashes with heavy trucks. Allowing trucks to be even heavier is a dangerous proposition.

The dangers these trucks pose to safety and to our roads and bridges are also why truck drivers oppose any increase in truck weight or length. Both the International Brotherhood of Teamsters and the Owner-Operator Independent Drivers Association (OOIDA) are against allowing trucks to be bigger. Teamsters General President Jim Hoffa has called the idea of letting bigger trucks on the road, "crazy," and has been quoted in the press as saying that he "can't imagine a worse time to promote this idea."

If truck drivers are unwilling to drive these trucks, why should we allow them on our roads?

Perhaps the most insulting part of the trucking industry's proposal, however, is that these ultra-heavy, dangerous trucks are being depicted as green. While I applaud efforts to decrease the emissions that lead to global climate change – such as a national speed limit for trucks and reducing the time trucks spend idling – I reject the attempt to cast heavier, unsafe trucks as part of the solution to climate change.

A centerpiece of this new campaign is the assertion that bigger trucks will mean fewer trucks. Experience indicates this is false. Increases in truck size and weight are likely to accelerate growth in truck transportation. In 1982, Congress passed legislation that required all states to raise the maximum allowable Interstate weight limit to 80,000 pounds. Despite the increase in truck weight, the total number of miles traveled by combination trucks increased by 63 percent from 1980 to 1993, according to the Federal Highway Administration. In fact, the miles traveled by combination trucks and the number of trucks registered in the U.S. has gone up nearly every year since 1982.

Truck travel grows after an increase in truck size and weight because the bigger rigs deliver freight from other transportation modes. As such, allowing heavier trucks would represent a fundamental strategic decision that would shape the future of freight transportation in the U.S. for years to come. I would contend that diverting freight away from our already overcrowded highways is a more sound way to curb emissions that contribute to global climate change.

Allowing heavier and longer trucks will mean more trucks on the road, more fossil fuel burned, more of the emissions that contribute to climate change, and more highway congestion, not less.

In the coming weeks, I will be reintroducing legislation, H.R. 1618 in the 111th Congress, the Safe Highways and Infrastructure Preservation act (SHIPA), which extends the common-sense weight limits we already have on our Interstates to the entire National Highway System. The weight limit for nearly all portions of the NHS is 40 tons, but ineffective enforcement and state permits that allow trucks to exceed this amount severely undermine the regulation. In some instances, these permits allow trucks to double the limit. In fact, the year before the collapse of the bridge in Minneapolis, the state's department of transportation issued 48 overweight load permits with excesses up to 72 ½ tons.

In short, bigger trucks are more dangerous, which is why they are opposed by motorists and by truck drivers. Bigger trucks tear up our roads and bridges, which are already in disrepair. This additional damage would cost taxpayers billions of dollars just in repair costs. In these difficult budgetary times, states and local governments cannot afford these additional costs. When you add in the cost of sitting in the congestion caused by the additional construction and repair, this number skyrockets even higher. Bigger trucks will also divert more freight to our highways causing more highway congestion, more fuel consumption, and more pollution.

Mr. Chairman and Members of the Committee, allowing trucks to get longer and heavier does not make any sense. I urge the Committee to oppose any increase in truck size or weight in highway reauthorization legislation and to consider enactment of the Safe Highways and Infrastructure Preservation Act.

Testimony of Congressman Paul D. Tonko

House Committee on Transportation & Infrastructure

April 5, 2011

Chairman Mica, Ranking member Rahall, respected members of the Committee; I want to sincerely thank you for giving me the opportunity to speak here today. I represent the twenty first congressional district of New York, also known as the Capital Region. The area is home to the convergence of two highways, I-87 and I-90, also known as the Thruway and the Northway, the Erie Canal and Barge Canal, some of the busiest freight and passenger rail tracks in the country, the Port of Albany, multiple airports, a system of locks, dams and reservoirs and much, much more.

As we work together to create long-term transportation policy that reauthorizes the Highway Trust Fund, there are a few areas of interest I would particularly like to highlight. Those include green corridors, high speed rail, clustering, upgrading aging urban cores and smart transit. However, I am here before you today to focus on one issue in particular – truck parking facilities.

Last session of Congress I introduced Jason's Law, HR 2156.

Picture this: you are a hard working mother with a two year old son in Upstate New York, and you and your husband are pregnant with twins. One late winter morning you say goodbye to your husband as he heads out the door on another truck run. This particular run finds the rig filled with milk, and the destination is South Carolina. You have said goodbye to him hundreds of times before. Only this time, he doesn't come back.

On March 5, 2009 that is exactly what happened to Hope Rivenburg. Her husband, Jason Rivenburg, was foolishly murdered in South Carolina while sleeping at an abandoned gas station along the highway. His murderer stole a meager seven dollars from Jason's wallet after shooting him in the cab of his truck.

That is why I introduced Jason's Law. This bill would rectify the dire shortage of safe parking for trucks, and improve the conditions at current truck parking facilities. We must ensure that our drivers have safe rest areas with parking for commercial motor vehicles, parking facilities next to truck stops and travel plazas, and new facilities for parking, including weigh and inspection stations. Additionally, we must improve facilities that are closed on a seasonal basis and improve the geometric design of interchanges on the National Highway System for better access to commercial motor vehicle parking facilities.

Small businesses are the heart of the engine that drives our economy. If we require our truck drivers, who are themselves small business owners, to continue to ramp up their deliveries to small businesses and even major corporations, we need to also ensure their safety. Jason's Law, by investing in infrastructure and helping to buttress state budget shortfalls, does just that.

In these difficult economic times, we need to continue to pay attention to our role to protect public and worker safety – especially where regulations mandate their necessity. I believe that is part of the reason that my bill garnered the bipartisan support of 45 Members in the 111th Congress.

As we move forward in the 112th Congress, I look forward to working with my new colleagues in the Majority and the distinguished members of this committee to advance safe, stable and reliable truck parking facilities. The trucking community is rightfully worried about changes to the hours of service, ability to find and comply with parking regulations and detention time. We are hearing from truckers on these topics each and every day and it is my hope that Jason's Law will help to alleviate some of these fears and angst.

I want to close my remarks this afternoon with these words written by songwriters Barry Allen and David Ayers. I quote:

"Jason drove that truck, reaching for that blue-collar dream
Hard working man, making a living driving that big machine
He loved his son Joshua and Hope his wife, but for seven dollars he lost his life
With nowhere to rest in between his loads, he was shot to death on the side of the road

Say a prayer for Jason
Say a prayer for Joshua and Hope
Say a prayer for all the truck drivers stuck out on the road
Say a prayer, say a prayer, say a prayer"

Chairman Mica and Ranking Member Rahall, and my distinguished colleagues on the Committee – I would like to thank you for letting me testify before you today and I would only end with this: while saying a prayer is always a good decision, I hope that I can work with each and every one of you to ensure the enactment of Jason's Law and make safe truck parking a reality for anyone that seeks it. Thank you Mr. Chairman, and I yield back.

The Honorable Nydia M. Velázquez
Testimony before the House Committee on Transportation and Infrastructure
April 5, 2011

Thank you Chairman Duncan, Ranking Member DeFazio, and members of the Subcommittee. I welcome today's opportunity to present policy proposals to reform the Federal highway safety programs as the Committee begins drafting a long-term reauthorization of the nation's surface transportation programs.

The economic downturn and rising gas prices have made intercity bus service the fastest growing mode of transportation in the country, outpacing air and rail travel combined. The popularity of bus travel is dominated by so-called "curbside" carriers. Instead of using bus terminals, these low-cost operators use city streets to drop off and pick up passengers. After 40 years of declining ridership, curbside operators have revived the bus industry and now originate more than 20 percent of all departures. However, this rapid growth has led to serious safety concerns.

As you know, bus operators must follow many safety requirements including screening drivers for controlled substances, limiting the number of hours drivers can operate, and properly maintaining buses and equipment. Unfortunately, curbside carriers operate in a gray area of the law and current safety measures have not prevented deadly accidents and near misses from occurring around the country.

The examples are numerous. Last September, four people were killed when a curbside bus hit a bridge in Salina, N.Y. On March 11, 2011 a bus driver in New Jersey was cited for a DUI, leaving passengers stranded on the side of the highway for hours. And, of course, there was the accident in the Bronx that killed 15 and injured dozens -- the majority of whom were my constituents.

In response to this tragedy, I requested a full NTSB investigation into the discount busing industry, looking at the condition of buses, driver fatigue, and safety rules enforcement. The NTSB recently agreed to my request and will begin a 6-month investigation, immediately.

Today, I would like to bring to the Committee's attention several concerns I have with the discount bus industry. Curbside bus operations present a unique challenge to inspectors from the Federal Motor Carrier Safety Administration. The lack of terminal facilities seriously hampers their ability to perform required equipment inspections on the nation's growing fleet. The result is poorly maintained buses skipping inspections and putting lives in jeopardy.

Driver behavior also place lives in peril. Easily falsified logbooks allow many drivers to violate the 10-hour driving limit. Such violations place both passengers and motorist in grave danger. Since the Bronx tragedy, numerous instances of overworked drivers have been reported.

Additionally, inconsistent state laws allow drivers to continue operating even after drug and alcohol violations. Many small trucking companies lack the resources to verify a driver's record in multiple states, forcing companies to rely heavily on falsified information supplied by drivers. Establishing a national clearinghouse for drug and alcohol violations would significantly reduce the number of dangerous drivers on the road and the costs of conducting required background checks.

Unfortunately, curbside buses may continue operating even after several failed inspections or citations for drivers being on the road, too long. The lack of authority to swiftly take operators, drivers, and buses off the road for safety violations has prevented the FMCSA from fulfilling its mission to reduce accidents on the nation's highways.

The growth of curbside busing has placed unsustainable pressure, not only on cities and towns, but on the nation's highways as well. The tragedy in the Bronx was the latest in a long line of accidents that highlight the need to improve oversight of the bus industry in order to protect passengers and motorists.

I come here today to ask the Committee to address these concerns when drafting a long-term reauthorization of the nation's surface transportation programs. Thank you for the opportunity to testify.

Opening Remarks

April 5, 2011

Subcommittee on Highways and Transit

"Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs"

Good morning.

Chairman Duncan, thank you for bringing us together today. I'm pleased to be here and have the opportunity to hear from my colleagues, as the Subcommittee begins to construct our next long-term transportation bill. This legislation, once completed, will reauthorize programs and initiate the projects that will serve all of our constituents on a daily basis. As many of us know our nation's infrastructure is deteriorating and in drastic need of repair. State departments of transportation from across the country need a longer term commitment from Washington; a commitment that will bring highway projects from the drawing board to the roadways in our district.

In order to achieve this goal, the process must be open and non-partisan. Chairman Mica has shown great leadership in this Congress by taking the Full Committee across the country. From coast to coast, our Committee has listened to a wide-variety of constituencies on how to improve our nation's roads for the future. We've heard new, creative ideas on public-private partnerships and how future projects may be responsibly funded. These are the discussions that needed to take place, in order to bring us to today.

I know that my constituents appreciated when the Transportation Committee visited Scranton late last month. The voices may have been different, but the message was the same: jobs. The need for jobs is on every American's mind today. We need to invest in our nation. I believe the projects and ideas are there, yet a lack of consistent funding and burdensome government regulations are standing in the way. Our country needs to get back to work and a long term Highway Bill may be just the answer.

So let's work together, as we so often do in this Committee, to find ways to streamline transportation projects, break down the regulatory burdens and bring accountability to the American people.

Lou Barletta

Representative Karen Bass

Member Testimony to the Transportation & Infrastructure Committee

Highways and Transit Subcommittee

May 6, 2011

I would first like to thank Chairman Duncan, Ranking Member DeFazio, and Members of the Highways and Transit Subcommittee.

I appreciate the opportunity to draw attention to a job-creating, innovative solution to one of the most pervasive challenges facing my city: traffic. Los Angeles continues to lead the country in overall delay related to traffic congestion. This delay not only causes frustration but costs the local economy $12 billion a year.

This solution highlights a unique, bi-partisan policy proposal that will create jobs while drastically decreasing traffic congestion by transforming the nation's transportation programs. This solution is
-- ***America Fast Forward.***

America Fast Forward is a national innovative finance program for transportation infrastructure that creates jobs and empowers local communities. In fact, this bi-partisan proposal would leverage private capital to create nearly one million private sector infrastructure jobs nationwide. . It would result in $51 billion in worker income. And, it would generate $158 billion in total economic output.

Although this proposal was born in the great city of Los Angeles and spearheaded by my Mayor Antonio Villaraigosa, it would truly benefit the entire nation. The ***America Fast Forward*** plan is supported by 104 mayors throughout the United States, both Republican and Democrat. In fact, the plan is endorsed by both the President of the AFL-CIO and the US Chamber of Commerce.

The America Fast Forward plan includes two major components. First, we propose an enhanced Transportation Infrastructure Finance and Innovation -- TIFIA -- federal credit assistance program.

This includes:

- An increase in annual funding
- Permitting US DOT to approve multiple related projects
- Allowing US DOT to make upfront credit commitments
- And authorizing US DOT to lock-in interest rates for approved projects

The second component is a new class of bonds for surface transportation -- called Qualified Transportation Improvement Bonds or "QTIBs".

Congress currently has authorized qualified tax credit bond programs -- totaling $36 billion -- for forestry conservation, renewable energy projects, energy conservation, qualified zone academies and new school construction. We'd like to create a sixth category of bonds in this class, this category for surface transportation capital projects.

As outlined in the ***America Fast Forward*** proposal, QTIBs will provide funds to "mega" public transportation projects with significant regional and national benefits as well as fund states through population and density formulas. The new qualified bonds will be refundable in order to accelerate issuance and, in turn, expedite job creation and increased mobility.

One of the best ways to support job creation and the economy is through investment in transportation infrastructure. In 2009, Los Angeles voters approved Measure R, a half-cent sales tax. Soon thereafter, we broke ground on a new busway extension, creating 2,300 new jobs. We then accelerated construction of one of our new light rail lines, creating another 6,900 jobs. Over the next two years, we will start construction on four more major rail lines, creating thousands more jobs. With the financing assistance outlined in ***America Fast Forward*** we and other jurisdictions could accelerate our construction programs and create more jobs.

The bottom line is that ***America Fast Forward*** "uses limited federal dollars in a smart way. As we look to move our country forward with a plan to "out innovate, out educate, and out build," ***America Fast Forward*** is the right solution.

It creates incentives for local jurisdictions to raise their own revenue to build new highway, rail and transit projects. It creates jobs. It builds a more competitive national transportation infrastructure and positions the U.S. to prosper in the 21st century global economy.

For all of these reasons, I strongly urge my colleagues to incorporate the ***America Fast Forward*** proposal into the surface transportation reauthorization bill.

Thank you for your time and consideration.

Congress of the United States
Washington, DC 20515

Statement of
Representatives Randy Neugebauer, Adrian Smith, Denny Rehberg, Rick Berg, Cory Gardner, Mac Thornberry, Michael Conaway, Francisco Canseco, and Henry Cuellar
at the "Members Day" Hearing on Reauthorization of Surface Transportation Programs
before the Subcommittee on Highways and Transit
of the Committee on Transportation & Infrastructure
United States of House of Representatives

April 5, 2011

Thank you for holding this hearing to allow Members to suggest policies to improve our current federal surface transportation programs. The hearing is especially appropriate and important in the context of the current surface transportation reauthorization effort as we will likely (as Chairman Mica has said) have to "do more with less."

With the understanding that the current surface transportation reauthorization effort will maintain the moratorium on congressionally directed funding, or earmarks, the programs and policies in the new legislation take on even greater significance. They are not only important in their own right but they will also determine how and where the limited resources will be invested and be prioritized.

Our message today is quite simple -- in developing the programs and policies in the new legislation, **please do not forget Rural America.**

Rural highways are a large and critical part of the national surface transportation network on which the U.S. economy depends. In 1955, President Eisenhower observed:

> *"Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over a vast system of interconnected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and south.*
>
> *Together, the united forces of our communication and transportation systems are dynamic elements in the very name we bear—United States. Without them, we would be a mere alliance of many separate parts."*

These words are as true today as when President Eisenhower spoke them. Rural highways not only serve the needs of local citizens but also carry people and freight between our major population centers. Simply stated, rural highways connect urban centers. Moving freight from one metropolitan area to another almost always requires moving on a rural highway. They are a critical part of our national transportation network and are essential to the U.S. economy. The new surface transportation legislation must embrace this reality.

Rural Transportation Needs

Collectively, we represent a nine-state, 2300-mile corridor running through the heartland of America from the U.S.-Mexican border to the U.S.-Canadian border. Like the rest of Rural America, the transportation facilities in this corridor are facing significant challenges. Many of the highways are two-lane, narrow roads congested with local and through traffic not anticipated when first constructed; nor were they designed for today's large trucks and over-sized vehicles.

Consider the following:

- The growth in American agriculture to feed our citizens and the world has put a tremendous strain on our rural transportation network, and US producers have become so efficient they need infrastructure to better reach the global market. For instance, agriculture exports in 2000 totaled $50.76 billion. In 2010, they were worth $108.66 billion, generating more than $135 billion in business activity and supporting more than one million jobs. With the hopeful passage of three additional Free Trade Agreements with Colombia, Panama, and South Korea, the stress on our rural highways surely will continue to increase.

- The need for increasing domestic energy production also will lead to a greater strain on rural highways. The U.S. is the world's third largest energy producer, with more than 500,000 producing wells and approximately 3,800 oil and natural gas platforms operating in U.S. waters. Combined, they produce almost 2 billion barrels of oil a year. The nation's 141 refineries process more than 15 million barrels of crude oil every day and then transport this product by tanker trucks from thousands of local terminals to the approximately 161,770 service stations across the United States. The corridor we represent, for instance, now serves 8 of the top 10 oil producing states and 5 of the top 6 natural gas producing states. These facts reflect the oil and gas industry's development in new areas and the need for our transportation infrastructure to adapt to accommodate increased usage.

- Safety on rural highways also is a real concern. The mix of large trucks, recreational vehicles, through traffic, and local traffic makes for dangerous driving conditions. Large trucks traveling at 65 miles-per-hour toward vans carrying vacationing families on narrow two-lane roads with little or no shoulders leaves little margin for error. Data from the National Highway Traffic Safety Administration show the fatality rate per million vehicle miles traveled for rural crashes is more than twice the fatality rate of urban crashes.

Policy Recommendations

The new legislation must improve connectivity and mobility for Rural America and also increase flexibility for states. It must enhance the movement of freight, including through rural areas. It must improve safety, and in doing so consider the specific problems facing Rural America. In crafting the new surface transportation legislation, we respectfully urge the Committee to include the following recommendations.

First, the new legislation should be balanced and fair.

- It should meet the needs of small communities and rural areas as well as major metropolitan areas.

- It should recognize the need for additional highway capacity in rural areas. Preserving the existing transportation network is important but so is the need for additional capacity in rural areas.

- It should recognize many of the alternative and innovative financing mechanisms likely to be included in the new legislation are not viable options in rural areas. Specifically, tolling or public private partnerships are not viable funding options in Rural America. It will, therefore, be important to ensure adequate resources are targeted to rural transportation programs to compensate for this reality and could do so by providing more flexibility to states.

Second, the programmatic structure of the new legislation should reflect the important and unique transportation needs of rural America.

- Rural Connectivity and Mobility: There should be a focus on upgrading and modernizing the portion of the national transportation network which provides connectivity and mobility for America's small communities and rural areas.

- Freight Transportation: There should be a focus on freight movement, including freight movement in rural corridors on the national network.

- Rural Safety: There should be a focus on rural safety, especially narrow, two-lane rural roads which often have fatality rates well above four-lane, divided urban highways. These overburdened two-lane roads are carrying much of the food and fuel destined for our nation's major metropolitan areas.

Conclusion

We thank you again for giving us the opportunity to present our views on this important matter. It is essential that we modernize our transportation system to meet the needs of the 21st Century, and in doing so, we recognize the critical and unique role of the rural portion of our national transportation network.

MADELEINE Z. BORDALLO
GUAM

ARMED SERVICES COMMITTEE
RANKING MEMBER, SUBCOMMITTEE ON READINESS
SUBCOMMITTEE ON MILITARY PERSONNEL

NATURAL RESOURCES COMMITTEE
SUBCOMMITTEE ON FISHERIES, WILDLIFE, OCEANS AND INSULAR AFFAIRS
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

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April 18, 2011

The Honorable John J. Duncan Jr.
Chairman
Subcommittee on Highways & Transit
Committee on Transportation & Infrastructure
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Duncan,

Please accept the attached document as my official testimony for a hearing on April 5, 2011 regarding policy proposals to the reauthorization and reform of the nation's surface transportation program. I regret that I was unable to attend the hearing but schedule conflicts precluded me from participating. Thank you for the consideration of the policy proposals included in my attached testimony.

Should you have any questions regarding these policy proposals please do not hesitate to contact my Legislative Director, Matthew Herrmann, at matthew.herrmann@mail.house.gov or at 202-225-1188.

Sincerely,

Madeleine Z. Bordallo
MADELEINE Z. BORDALLO
Member of Congress

Enclosure

CC: The Honorable Peter A. DeFazio, Ranking Member, Subcommittee on Highways and Transit

Madeleine Z. Bordallo

TESTIMONY BY CONGRESSWOMAN MADELEINE Z. BORDALLO ON REAUTHORIZATION OF SURFACE TRANSPORTATION LEGISLATION (SAFETEA-LU) IN THE 112TH CONGRESS SUBCOMMITTEE ON HIGHWAYS AND TRANSIT 5 APRIL 2011

Chairman Duncan, Ranking Member DeFazio, I want to thank you for allowing me to offer testimony before this committee as it pertains to the developing policies for inclusion in the drafting of a bill reauthorizing the nation's surface transportation programs. Maintaining and upgrading America's highways and transit systems is an important endeavor, and I would like to offer my thoughts on how this bill can best serve the people and infrastructure of Guam as well as those of the other small territories.

As the population of Guam and tourism on the island continue to rise, the need for infrastructure improvement and maintenance becomes more essential. A larger amount of people and increased traffic congestion require significant improvements in infrastructure. This is particularly true for Guam when many roads and highways on the island remain substandard and unable to meet current and future forecasted traffic demands. Moreover, the on-going military build-up, which could increase the population of Guam by at least 25%, will further necessitate the need for significant infrastructure improvements. Moreover, a significant amount of the population growth associated with the military build-up will be situated on the northern part of the island which already has the largest population centers and most stressed roadways. The strain this large endeavor has placed on Guam's infrastructure cannot be alleviated by military funds alone, but also requires continued funding through the Department of Transportation's surface transportation programs.

In dealing with infrastructure improvements on Guam, I would like to outline my support for four proposals. First, I offer my support for maintaining the current funding rates at the 1-4-4-1 ratio in the Territorial Highway Program (THP). Established under the Federal-Aid Highway Act of 1970, the THP allows the Department of Transportation to assist the territories in constructing and improving arterial highways. Funding from this program has gone a long way towards improving our current highway system. The funding has allowed us to make improvements at highly traffic intersections and expanded turn lanes in congested areas. This much-needed funding is critical to the territories and to Guam, and I strongly urge the committee to keep funding levels, at a minimum, at current rates if not a slight increase adjusted for inflation since the last surface transportation reauthorization bill in 2005.

Second, I would respectfully request the Committee to support legislation for inclusion in the Chairman's Mark of the reauthorization of the nation's surface transportation programs that would extend most programs under the Federal Highway Administration (FHWA) to the territories. Currently, many of these programs are not available to Guam or the other small territories because they are treated differently from the 50 states and the District of Columbia under certain sections of law. In doing this, current statute greatly inhibits the small territories ability to more targeted investments in their infrastructure. For example, Guam is ineligible for funding under the Highway Bridge program as well as the Ferry Boats and Ferry Terminals Facilities program. Guam's bridge infrastructure is in serious need of repairs but must only rely on local funding sources for repairs which can take years. Further, as the military build-up progresses, there may be a financial viability for a passenger ferry service between Guam and the Northern Mariana Islands. However, such a service could not rely on federal funding for land-based infrastructure unlike other jurisdictions in the 50 States and the District of Columbia. By expanding the availability of federal programs to the small territories, Guam can compete for additional FHWA funding like any other state or locality. I recognize this Committee will seriously consider a recent proposal from President Obama to realign the current 55 surface transportation programs into 5 major programs. If such a proposal is adopted by the Committee, I would respectfully request that the small territories be eligible to compete for that funding as we are unable to do in some cases currently.

I also urge the Committee to seriously consider proposals to develop a more sustainable and dedicated funding source for the development of small- and medium-sized commercial ports. The discretionary TIGER program developed under the American Recovery and Reinvestment Act of 2009 and continued in subsequent appropriations bills is a case in point for the need for dedicated funding. Both rounds of this discretionary grant program have showed a lack of interest and attention to the needs of our commercial ports. Nationally, our ports account for 99.4% of overseas trade by value. Moreover, a more direct impact of ports is that they provide 13.3 million jobs, accounting for $649 billion in personal income and more than $3.15 trillion in marine-cargo related spending. Ports are also critical to our national security interests. Yet, the lack of dedicated funding sources makes it difficult for small- and medium-sized ports to gain access to necessary capital to make improvements to their shored-based infrastructure that is needed to facilitate greater commerce. While some funding mechanisms exist to address water-based port needs, there is no dedicated source for shored-based infrastructure improvements. I understand there are many points of view on this particular proposal within the port operator and user communities but a collaborative approach to develop a comprehensive solution must be found and incorporated into this reauthorization bill.

Finally, I urge the Committee to support legislation that I plan on reintroducing this Congress regarding the establishment of a U.S. Territories Bond Bank. This bond bank would pool territorial resources and issue combined debt in the form of tax-exempt bonds. The proceeds from these bonds sales would be reissued to the territories in the form of loans aimed at financing reconstruction projects. Similar to bond banks that serve many states, a U.S. Territory Bond Bank will use federal grant money as collateral to guarantee the loans. By establishing this bond bank to pool the resources of the territories, we can better access the capital needed to improve the infrastructure of our communities.

In closing, I want to reiterate my support for, at a minimum, maintaining current funding rates at the 1-4-4-1 ratio under the Territorial Highway Program and extending

FHWA programs to include the territories. I also urge my colleagues to support my pending legislation establishing a U.S. Territories Bond Bank. As I mentioned before, these various programs have the potential to improve Guam's infrastructure in the face of a growing population and an increased military presence. We have an opportunity with this legislation to further improve critical infrastructure in the territories. I recognize that finding funding for these programs will be challenging but the relative small investment in funding for the territories pays significant dividends. I want to thank the Committee for the opportunity to offer testimony, and I look forward to working with the Committee and my colleagues in improving our nation's infrastructure.

April 5, 2011

Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs

Statement by Rep. Ken Calvert

Mr. Chairman:

My congressional district is more than 50 miles from the Ports of Los Angeles and Long Beach, yet my constituents see and feel their impact of trade and the goods movement it brings everyday. Freight moving to and from the ports on our highways, along our rail lines, and at the various places where our roads, rail lines, and warehouses intersect results in overwhelming congestion. In addition, the growing interaction between commuters and freight affects them both in an equally negative manner.

As many of you know all too well, the goods movement challenge is not exclusive to southern California. Gateway communities all over the nation are experiencing the increased burdens of freight infrastructure surrounding air, land and sea ports.

In a proactive attempt to address the freight challenges I introduced, along with my colleague Jesse Jackson Jr., the "Our Nation's Trade Infrastructure, Mobility, and Efficiency Act" or the ON TIME Act. The bill, H.R. 526 will fund the construction of high priority transportation projects which alleviate congestion in our nation's trade gateway corridors through a dedicated trade-based funding stream.

Let me briefly explain in more detail what the ON TIME Act would do.

The bill directs the U.S. Department of Transportation to designate key trade transportation corridors, or National Trade Gateway Corridors, extending out from every official air, land and sea port of entry in the United States.

Project eligibility under the ON TIME Act would be limited to transportation projects located within a designated National Trade Gateway Corridor. Furthermore, the legislation limits funding to surface transportation projects, such as highway improvements, truck climbing lanes, truck bypasses, grade separations, and interchanges on key freight routes. Publicly-owned intermodal freight transfer facilities and improvements to the transportation linkages out of port facilities also qualify as eligible projects within the boundaries of a port terminal.

The bill grants states with the project selection authority, not the U.S. Department of Transportation or Congress. To ensure all interested parties have an opportunity to engage in the project selection process, the legislation requires states to seek the input from local governments, transportation agencies, port authorities, regional planning organizations, as well as public and private freight stakeholders. The ON TIME Act also requires each state to establish a process for rating proposed projects in accordance with the purposes of the legislation.

The ON TIME Act derives its trade-based dedicated funding stream through the establishment of a capped and nominal ad valorem fee on all goods entering and exiting through official ports of entry. The ad valorem fee shall be equal to .075 percent of the stated value of the shipment, with a cap or maximum fee of $500, whichever is less. The money generated by the establishment of the fee will be deposited into the "National Trade Gateway Corridor Fund," which the ON TIME Act establishes as a separate "trust fund" account within the U.S. Treasury.

The fee established by the ON TIME Act is designed to ensure that it is paid by the beneficial cargo owner, rather than transportation service providers, such as steamship, trucking, or railroad companies. Additionally, the fee is designed to be collected and administered by existing federal government agencies through the use of existing forms and processes to the fullest extent possible.

The bill apportions the funds collected by the newly established fee to transportation improvement projects within the National Trade Gateway Corridor in which it was collected. Therefore, all funds generated from the application of the fee on goods imported and exported at the Port of Charleston, for example, would be apportioned to transportation projects within the National Trade Gateway Corridor designated for the Port of Charleston.

While I remain strongly committed to a number of the core principles contained in the bill, such as ensuring the collected funds are spent where and how they are intended and preventing the creation of any new bureaucracies, I welcome the insight and expertise many of you have on our nation's freight infrastructure. I am confident that if we work together, we can create real solutions to ease the congestion bogging down the freight and commuters in our gateway communities.

In addition to my ON TIME Act legislation, I believe we must take a more focused look at the rail lines that criss-cross cities across our country, creating congestion choke points as well as contributing to environmental health and safety hazards. The City of Riverside, in my district is prime example. The impact of these freight lines on communities, such as Riverside, has not been fully studied and their impacts on the everyday lives of residents are not yet fully realized.

Identifying and choke points within our transportation system is not a new concept. As Members of the Transportation and Infrastructure Committee are well aware, each year the Texas Transportation Institute (TTI) releases an Urban Mobility report that focuses on the State of the Commute. The study focuses on commuting issues and ranks the most congested metropolitan areas in the country.

I propose a more refined study that would identify the top ten freight at grade rail crossing choke points in the country and the impact on the respective community and region. To my knowledge there has not been a study on National Freight Rail Congestion Choke Points to date. This would be a valuable tool in targeting resources and addressing an increasingly important challenge in communities and within our larger national infrastructure system.

Mr. Chairman, I believe we have an exciting opportunity to tackle our nation's freight infrastructure challenges in the next surface transportation authorization. In doing so, we can improve the competitiveness of the American economy while improving the quality of life for our commuters.

Representative Mike Coffman Testimony before the Highways and Transit Subcommittee of the House Committee on Transportation and Infrastructure
April 5, 2011

Thank you Chairman Duncan and Ranking Member DeFazio for the opportunity to be here today. I appreciate the chance to provide testimony to the Committee regarding the Colorado Department of Transportation's priorities for the Surface Transportation Reauthorization this Committee will consider during the 112th Congress. This bill provides a unique opportunity for Congress to speak with one voice on a number of important priorities: renewing and re-investing in our nations surface transportation system; improving flexibility and reducing impediments within our transportation rules, regulations and laws which preclude the efficient and timely delivery of projects; providing a transportation system which allows the American public as much flexibility as possible for them to choose how to travel, whether it be a short commute to work or a cross country trip; re-investing in our communities to provide a safer more efficient transportation system.

In his State of the Union Speech President Obama called on Executive Agencies to review all federal regulations to identify areas of needless bureaucracy to help streamline program and project delivery. While this is a good first step, we can and should do more to streamline project delivery by implementing concurrent reviews of environmental documents, establishing a clear criteria and framework for other non-transportation federal agencies involvement in the review process for transportation projects, and a complete bottom up review of all laws and regulations affecting transportation projects.

Mr. Chairman, since the completion of the Interstate Highway System the federal transportation program has lacked a focused national vision. In that absence, we have turned our nation's federal transportation system into a competition of who has the most power in Congress or the Administration, and sought earmarks for projects that fail to meet the expectations of the citizens of this country.

Today, I urge this committee to change this trend. Without a national focus on the federal transportation program, I propose we refund back to the States 95 cents of every one dollar they send to Washington DC into the federal transportation trust fund. I believe States know best how to spend their gas tax dollars and that federal laws and regulations only serve to take away from flexibility in local decision making.

If Congress is unable or unwilling to pass a block grant approach, I would ask the Chairman to consider including as many provisions as possible to simplify and expedite project delivery in the next authorization bill, whether it is 2 or 6 years in length. The ideas include but aren't limited to the concepts below:

As a priority the next Surface Transportation Authorization bill should increase flexibility to allow private capital to invest in our transportation system whenever and wherever the market allows. In working with the Colorado Department of Transportation, I believe private dollars could be leveraged into our transportation system in a variety of locations across Colorado both in urban and rural areas. As an example, the Colorado Department of Transportation currently spends millions of dollars each year to provide public rest areas. If allowed to form public-private-partnership(s), the traveling public would see enhanced service, increased safety, and an improved experience. Congress, the United States Department of Transportation, and the States can ensure an open competitive process for the formation of these public-private-partnerships to ensure that the public is well served.

As Chairman Mica has recognized, funding levels will be a major challenge in this next authorization bill. It appears that public support for increasing the gas tax simply does not exist at this time. There are many reasons why the public will not support such an increase at present. One is a distrust of the federal government. Whether States have always made good investment decisions can be debated but when Members of Congress direct spending away from bridges and or critical infrastructure project to 'pet projects,' the public distrust of government spending is re-enforced.

In this era of 'doing more with less' Congress, through the Transportation and Infrastructure Committee, must allow the State's the ability to find funding solutions on their own. Everything should be 'on the table' for consideration so the States can solve their own unique transportation issues. In particular, the committee should consider lifting the prohibition of tolling on Interstates. While tolling may not be the right solution in many areas, the current prohibition of general lane tolling is an impediment to alternate ways to fund and finance our transportation system.

Finally, every surface transportation authorization bill should make safety a priority. Far too many people are injured and killed each year on our nation's highways.

Mr. Chairman, the list of issues facing transportation is far too long to list in my testimony today, however I will conclude with one final idea. When President Eisenhower created the Interstate system it was in response to the inability of our country to efficiently move the military from coast to coast. I doubt anyone could have imagined the impact our nation's Interstate and National Highway system has had on our common defense and our economy. As we move forward we must ensure our transportation system addresses and accommodates the demands of our economy. Years ago Congress imposed a freeze on size and weight of freight vehicles. This has left a patchwork of rules and regulation among different States. Congress should look to create a uniform standard for all States which will create tremendous efficiencies in the movement of goods from our ports to the consumers.

Thank you for your time and consideration today.

GERALD E. CONNOLLY
11TH DISTRICT, VIRGINIA

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April 4, 2011

The Honorable John L. Mica
Chairman
Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Nick J. Rahall
Ranking Member
Committee on Transportation and Infrastructure
2163 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Mica and Ranking Member Rahall,

Thank you for soliciting suggestions to reform federal surface transportation programs. I hope the Committee approaches surface transportation reform legislation, including but not limited to reauthorization, with three simple goals:

1. Provide the resources necessary to expand capacity in response to demand
2. Promote multimodal solutions that create consumer choice
3. Make transportation policy consistent with other national policy objectives

Both the Administration and your Committee have done extensive work toward these ends, and subsequent legislation should build on that progress.

Providing necessary funding is essential, because without it the best plans will not move one person or one pound of freight. I am on record supporting increased user fees on non-renewable transportation fuels and indexing it to inflation. In Northern Virginia, extending Metrorail through Tysons Corner is generating billions of dollars in private sector economic activity associated with transit-oriented redevelopment. Without restoring sufficient levels of funding, these kinds of private sector opportunities will be lost. Moreover, the gas tax represents a highly efficient method of generating revenue. It is a user fee which addresses distance travelled, vehicle efficiency, and driving habits. It permits a broad range of consumer choice while incentivizing those choices which have positive externalities, such as reduced gasoline consumption.

We must preserve investments in a balanced, multimodal network. In my district, a growing number of travelers are choosing to use Metrorail, Virginia Railway Express, or bus service to commute to work and for other trips. Growth in pedestrian and bicycle trips is growing even faster, with ridership doubling in many National Capital Region communities over the last decade. Our region faces severe geographic constraints that preclude major expansions in road capacity, so we need to focus on expanding transit, pedestrian, and bicycling infrastructure while promoting carpooling (including slugging) and other tools that maximize existing roadway capacity. Fortunately, construction of Metrorail's Silver and Purple Lines are underway. I have introduced legislation to authorize extensions of the Blue, Yellow, Purple, and Orange Lines in Northern Virginia (H.R. 55), and I would hope that this legislation would be incorporated in the list of High Priority Projects in the next authorization bill. In order to expedite these expansion projects, it would be helpful to streamline the approval process for new transit projects. First, the cost effectiveness criteria should be eliminated or made to correspond to economic reality. When the Corps of Engineers conducts a cost-benefit analysis, it measures the value of private property that will be affected by a project. Yet new transit projects do not get credit for increased real estate value generated by transit expansion. This overly restrictive criterion makes no sense, and even if it did it is questionable whether Federal Transit Administration employees should have any approval authority over transit expansion. Expanding transit capacity should be a local decision, with support from the federal agencies. In addition to streamlining project delivery, additional operations funding should be programmed for Metrorail. Incredibly, the federal government has never contributed more than $50 million per year to the transit system serving our nation's capital. Over 11 million tourists visit D.C. each year, many of them using Metrorail. Moreover, half of all Metrorail stations are located at federal offices and 40% of Metro commuters are federal employees. We need to pay our fair share and stop expecting localities to subsidize it. Finally, it is vital to expand multimodal requirements for new roadways and increase funding for pedestrian and bicycling infrastructure. In my district many roads lack sidewalks and bike lanes, which creates enormous safety problems and inconveniences for my constituents. Road projects should accommodate all types of traffic safely, whether through provision of bike lanes in suburban and urban areas or merely signage in very low traffic rural areas.

As we seek to expand transportation infrastructure, those capacity improvements should complement other national policy objectives. Revenue generation should reduce our dependence on foreign oil. Balanced multimodal investments would complement HUBZone and other federal policies designed to spur redevelopment in existing neighborhoods. Multimodal investment also would reduce foreclosures, based on data from the Center for Neighborhood Development which shows higher foreclosure rates in auto-dependent communities. Multimodal investments would reduce dependence on foreign oil and insulate consumers against volatility in gas prices. Streamlining transit project delivery would create transportation choices while improving the efficiency of the federal bureaucracy. As you know, the Administration has attempted to initiate this kind of policy coordination through its sustainability initiative of the Departments of Transportation, Housing and Urban Development, and the Environmental Protection Agency. These kinds of partnerships break down bureaucratic stovepipes and should be institutionalized and expanded.

Thank you for the opportunity to offer suggestions for surface transportation policy reforms.

Sincerely,

Gerald E. Connolly
Member of Congress
11th District, Virginia

GC/ZF

STATEMENT OF
CONGRESSMAN ELIJAH E. CUMMINGS

Subcommittee on Highways & Transit

"Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs"

April 5, 2011

Mr. Chairman:

I thank Chairman Duncan and Ranking Member DeFazio for holding this hearing and for your work on the development of the next surface transportation authorization.

Let me state up front, I support the most robust authorization possible because I believe that investments in our highway and transit systems are investments in our nation's economic future – and I believe we are overdue to make such investments.

By failing to take the steps necessary to combat congestion, to ensure that our bridges are in a state of good repair, to ensure that we can effectively move freight from our ports to inland destinations, and to enable the timely delivery of proposed projects, we are impeding our own mobility and needlessly restraining our economic growth.

Together, traffic accidents and congestion are estimated to cost our nation $365 billion per year. Many people say that we simply cannot afford to invest even at the current $286 billion level in our surface transportation bill – but imagine how we could have already modernized our system if we had made the choice years ago to expand investments in our nation's infrastructure.

I believe we must also expand investment in transit. As a child, I depended upon public transportation to get me across town to a better school – and that better school made all of the difference in my life.

The choices we make in formulating transportation policy have a major impact on our neighborhoods – on whether our communities become more livable, and on whether folks have the mobility that will enable them to move ahead in their lives and create opportunities for their children.

According to data released by the American Public Transportation Association in 2010, since January 1, 2009, nearly 60 percent of public transit systems have been forced to raise fares, cut service, or both – and many systems that have thus far avoided such actions are nearing the point where they will have to begin taking them.

As a result, families are being stranded in communities across this nation by eliminated routes, reduced hours, and higher fares. For these individuals, the bus doors are literally the doors to opportunity and we must keep these doors open.

I also believe it is critical that we ensure minority businesses are able to participate in the opportunities that are going to be created by the next surface transportation authorization.

To that end, I have introduced H.R. 688, the *Department of Transportation Bonding Assistance Authority Act,* to significantly expand the United States Department of Transportation's (USDOT) authority to guarantee bonds issued to disadvantaged business enterprises (DBE).

Evidence gathered by the Committee on Transportation during the 111th Congress indicates that particularly in this economic environment, lack of access to bonding presents one of the biggest hurdles that DBEs must overcome to be able to bid on federally supported transportation projects.

While the USDOT was given the authority under the last highway bill (the SAFETEA-LU legislation) to assist DBEs in obtaining bid, payment, and performance bonds, due to a variety of challenges, the program has essentially become dormant.

H.R. 688 would create within the DOT a robust program similar to that operated by the Small Business Administration to provide bonding assistance to DBEs in the transportation industry. H.R. 688 would also authorize the appropriation of up to $50 million per year to fund this bonding assistance program – significantly expanding the amount of bonding aid available to DBEs.

Additionally, H.R. 688 would create a program under which up to five states could receive federal funding to implement their own bonding assistance programs. Across the nation, states are developing innovative bonding assistance programs – and H.R. 688 would enable states with proven capabilities to manage such programs to receive federal funding to support their efforts.

I look forward to working with Chairman Duncan, Ranking Member DeFazio and all members of this Committee to formulate a thoughtful reauthorization that meets the mobility needs of all segments of our nation. With that, I yield back. ###

Pete DeFazio

STATEMENT OF THE HONORABLE PETER A. DEFAZIO
RANKING MEMBER
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

HEARING ON
"POLICY PROPOSALS FROM MEMBERS OF CONGRESS TO REFORM THE NATION'S SURFACE TRANSPORTATION PROGRAMS"

April 5, 2011

Good morning. Our hearing today gives our fellow Members of Congress an opportunity to advocate for policy proposals they'd like to see adopted in the upcoming surface transportation authorization. This is an excellent opportunity to hear from our colleagues who don't serve on this committee, as well as a chance to hear from committee members in a more formal manner. I look forward to working with Chairmen Mica and Duncan over the coming months to craft a new authorization bill to replace the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which expired over 18 months ago. This Subcommittee has the principal responsibility for drafting the new legislation and I welcome the chance to hear from our colleagues.

Our nation's infrastructure is at a crossroads and we have a major decision to make. Will we move forward with robust investment and reform to bring our surface transportation system into the 21st Century? Or will we adopt an underinvestment strategy and allow our already decrepit roads and bridges to continue to decay by refusing to invest the funds we know we must?

I am concerned that if we constrain ourselves to spending only what the Highway Trust Fund can support without increasing revenues, as some have suggested, that we will lose ground and severely harm the fragile economic recovery. Spending levels that meet what the Trust Fund can currently sustain will result in a roughly 30 percent cut to programs; a cut that will mean hundreds of thousands of forgone or lost jobs, and not just construction jobs, but jobs for engineers, planners, architects, and high-tech jobs building next-generation made-in-America buses and streetcars. A 30 percent cut will represent a lost opportunity to further stimulate our economic recovery and make investments that will last for generations, and it will accelerate the rate of deterioration of our infrastructure.

At one time the U.S. led the world in surface transportation investment, which created a transportation system second to none. But since the Interstate construction era ended, our investment has declined, giving us an economy threatened by congestion. The actual purchasing power of the 18.4 cent Federal gasoline tax has declined 35 percent since the last time it was increased in 1993. That lack of increased investment means every year we fall further and further behind in the struggle to maintain our roads, bridges and transit systems. We're not even maintaining the investment of the Eisenhower generation, let alone improving upon their legacy.

The deterioration of our surface transportation system has been detailed in many reports, including in two blue ribbon reports commissioned by Congress in SAFETEA-LU. Our nation's highways, bridges, and transit systems fall far short of being in a state of good repair, and, in fact, are in a state of disrepair. Almost 61,000 miles – 37 percent of all lane miles – on the National Highway System are in poor or fair condition; more than 151,000 bridges are structurally deficient or functionally obsolete; and the nation's largest transit agencies face an $80 billion maintenance backlog to bring their rail systems to a state of good repair.

The SAFETEA-LU National Surface Transportation Policy and Revenue Study Commission report in January 2008 estimated we as a nation should be investing a minimum of $225 billion from all sources annually over the next 50 years to upgrade all modes of surface transportation (highways, bridges, public transit, freight rail, and intercity passenger rail) to a state of good repair. Additionally, the American Society of Civil Engineers estimates the nation's infrastructure requires an investment of $2.2 trillion over the next five years to bring our infrastructure to a state of good repair. Meanwhile, the current annual capital investment from all sources in all modes of surface transportation is just $85 billion. According to the U.S. Department of Transportation (DOT), the federal government needs to invest a minimum of $62 billion a year just to maintain our roads and bridges, and $15.1 billion per year to maintain transit assets, in their present condition. We currently invest less than two-thirds of that amount. And while China spends 9% of its GDP on infrastructure, the U.S. spends just 1.9% of its GDP on infrastructure investments.

Filling this substantial investment gap will require the use of innovative financing mechanisms like public-private partnerships (PPPs). But, while PPPs, tolling, and innovative tools like TIFIA and an infrastructure bank are part of the solution, those tools alone won't get us the funding we need to begin to make real improvements. Those tools can only supplement our existing infrastructure investment; our needs are far too great and diverse for them to fully fund our massive backlog of decaying infrastructure.

In the past I have suggested funding alternative such as placing a fee on barrels of oil at the refinery-level and a tax on Wall Street transactions. I would also like to proffer the idea of indexing the gas tax to both the construction cost index and fleet fuel economy. We could then use the resulting small increase in the gas tax to issue bonds in order to generate revenue for the first years of the bill.

As we begin work on a six year bill, I encourage Chairman Mica and Chairman Duncan to use as a blueprint the Surface Transportation Authorization Act (STAA) of 2009, which they drafted with former Chairman Oberstar and me last Congress. The STAA provided clear national transportation objectives and would have held states and local governments accountable to how they spend Federal transportation funds by establishing performance metrics. It would have also terminated and consolidated 75 surface transportation programs, which I know is of particular interest to this Congress.

We know the needs are there and we know that the longer we put off making the necessary investments the more it will cost us later and the heavy toll it will take on our economic competiveness. I caution my colleagues to resist the urge to cut transportation

spending and I look forward to working with them to make the tough decisions to develop and pass a well-funded and streamlined surface transportation reauthorization.

Bob Filner

Transportation and Infrastructure Subcommittee on Highway and Transit: Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs

April 5, 2011

Thank you for allowing Members the opportunity to submit our views and priorities for the next surface transportation bill.

I believe that our number one job in Congress is to strengthen our economy and create jobs for all American families.

Our national economy is beginning to look up, but it will take all of us coming together to build on that success and ensure that our economy remains on the right track. In order to solve these problems we must work across party lines to improve the economy and create jobs.

The best thing we can do for our country is boost transportation funding to stimulate economic growth in the short, medium, and long-term. Funding transportation improvements can support jobs and ease the high unemployment rate, particularly in the hard-hit construction sector. The benefits of surface transportation improvements outweigh the costs.

The Federal Highway Administration estimates that approximately 30,000 jobs are created for every $1 billion invested in highway construction, both in the construction sector and in non-construction related sectors of the economy. Every dollar invested in the nation's highway system yields $5.69 in economic benefits in reduced delays, improved safety, reduced emissions, and lower vehicle operating and maintenance costs.

Each dollar invested in the nation's public transit system has been found to provide $6 in benefits in the form of time savings, parking and travel time savings, avoided job loss, avoided welfare payments, avoided vehicle crashes, avoided congestion and pollution, increased central city labor opportunities, increased mobility for people without access to private vehicles, and improved educational opportunities.

As a member of the House Transportation and Infrastructure Committee, I am hopeful that our committee will act quickly to pass the next bill so that we can keep our economy moving forward and keep creating jobs.

Besides creating jobs, we have a responsibility to ensure that our nation has a first-class transportation system. If we continue to allow our transportation infrastructure to deteriorate, we will fall behind other nations, like China, where they are making the investments necessary to compete in the 21st Century.

In December 2007, the National Surface Transportation Policy and Revenue Commission informed Congress that we need to increase the federal share of transportation investments to $65 billion annually – just to maintain the current conditions of our highway and bridges. To truly improve both conditions and performance, $100 billion per year is required.

Now, we can debate how to fund these investments. But we can't deny the absolute necessity of making them.

Recently a constituent said to me: "If President Lincoln could build the trans-continental railroad during the middle of the Civil War, surely we can find a way to build our roads, bridges, and transit systems in the 21st Century!"

As our committee debates these issues, I want to let you know of my strong support for the Coordinated Border Infrastructure Program, which is critical to border regions.

My district encompasses the entire California/Mexico border region, and I know firsthand that border congestion has negatively impacted families who must cross the border regularly for work or school. The traffic congestion also affects the health of our constituents who breathe in the pollution caused by idle trucks and cars at the international borders.

Most of the trucks entering through the northern and southern land ports of entry (LPOEs) are destined for areas far beyond the immediate border region, making this a national problem that requires federal funding to solve. Yet, small border communities receive limited assistance from the federal and state governments to deal with traffic congestion, automobile and pedestrian safety, and infrastructure strains posed by this huge volume of freight and automobile traffic movement.

The Coordinated Border Infrastructure Program improves our transportation infrastructure at the border, making the movement of people, cars, and freight more efficient.

Currently, funding for this program is apportioned among Border States based on several factors: 20% based on the number of incoming commercial trucks; 30% on the number of incoming personal vehicles and buses; 25% based on the weight of incoming cargo by commercial trucks; and 25% based on the number of land border ports of entry.

Based on the existing formula, the State of California currently receives 12.73% of funding annually. The total program is currently authorized at $210 million annually. However, this funding level is woefully inadequate to meet the infrastructure needs of the border region.

I strongly believe that we need to increase the overall funding authorization for this program to at least $420 million annually in FY2012, gradually increasing the total program to $630 million by FY2016.

This funding increase would go a long way towards improving cross-border transportation and improving commerce.

Consider these facts:

- On an average day, about $2 billion in trade cross the nation's 163 border crossings, along with more than 350,000 vehicles, 135,000 pedestrians and 30,000 trucks.
- There are more than 1,900 miles between the United States and Mexico, and more than 5,000 miles between the U.S. and Canada.
- About 88 percent of U.S. merchandise trade by value with Canada and Mexico moves on land.
- Since 1990, the value of freight shipments among the U.S., Canada, and Mexico has risen by 170 percent, growing an average of 8 percent annually.
- Approximately 23 million U.S. citizens cross the land borders into Canada and Mexico a total of nearly 130 million times each year.

- Of the 23 million land border crossers, about one-half are frequent crossers, making the trip at least once a year.
- A relatively small number of U.S. citizens cross the border every business day and are responsible for 18 percent of the crossings, while 2 percent of border travelers account for almost 48 percent of the total annual crossings.
- The San Ysidro port of entry – 15 miles south of downtown San Diego in my District – is the busiest land border crossing in the western hemisphere handling over 31 million northbound and southbound passenger vehicles annually.
- Of all goods moved in U.S.-International trade, more than one out of every three dollars is with Canada and Mexico.

Given the huge importance of border regions to our national economy and the huge volume of freight that moves through these critical trade corridors, I strongly believe that the Congress must maintain dedicated formula funding for border infrastructure programs.

Thank you again for allowing me to submit my views and priorities to the Committee. I look forward to working with you to advance the next surface transportation bill.

Testimony of Congressman Stephen Fincher
"Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Program" Hearing
April 5, 2011

I would like to thank Chairman Mica for the opportunity to share my views on the upcoming surface transportation reauthorization bill. Doing more with less should be the primary goal in drafting this legislation as our nation faces an overwhelming debt load. We need major changes in federal spending if we are to rein in spending habits and get our fiscal house in order.

Since the February listening session we held in Millington, Tennessee, I have continued talking to my constituents and transportation industry experts in Tennessee to learn about their ideas to stretch our transportation dollars farther and live within the means of the highway trust fund. Based on my conversations, the issues within the transportation industry that affect cost and project delivery time seem to stem from overburdensome rules and regulations. Our nation is not as productive in the workforce anymore and we do not get as much out of the government dollar as we should and have before. I have 5 major recommendations to share with you today to help reduce some of the regulatory burdens that are crippling our nation's transportation and infrastructure industry. I ask the Committee to consider incorporating them in the upcoming transportation reauthorization bill.

1. A large part of our discussion over the last few months regarding the transportation reauthorization bill has been about finding ways to deliver projects faster, which also prevents increased costs. Transportation infrastructure projects are notorious for taking years to complete, often because of endless government red tape and regulatory burdens. I think the best place to start when addressing the need to speed up project delivery is looking at the requirements of the National Environmental Policy Act, better known as NEPA, and making some common sense reforms. Specifically, I believe the following changes to NEPA are where we should start:
   - It makes sense to exempt projects from the NEPA process that are confined within existing right-of-way and when the proper NEPA documents have already been approved for that right-of-way;
   - Concurrent review of NEPA documents by state and federal agencies will speed up project delivery time;
   - Environmental documents should include a full review of the entire project, even though it may be designed and constructed in segments;
   - Extending the time for re-evaluation of environmental documents from 3 years to 10 years, unless there is a catastrophic even that would create a need, would shorten delivery time on projects;
   - And once a NEPA document for a project has been approved and met all federal requirements, new guidance from agencies should not be able to impact the process of project development, which drives up costs and delays completion. There needs to be a cut-off date.

2. I support the Committee's initiative to streamline over 50 funding sources into 5 or less. Within those funding streams, I believe it is important to provide states flexibility as to how they use their transportation funds. Each state is unique and a one-size-fits-all approach when delivering federal programs and funding streams doesn't always work. Authorizing states some measure of

flexibility with federal funds to meet their specific transportation needs is a better use of taxpayer dollars than requiring States to spend money on something not on its priority list.

3. States need more flexibility in the use of funds in the federal aid program to perform maintenance activities. While preservation and preventive maintenance is currently authorized to extend the service life of an interstate highway or transportation facility, new federal requirements such as sign sheeting, pavement markings and maintenance of additional barrier guard rails, place additional burdens on the state. Authorizing states to use federal-aid dollars to maintain federal interstates is the kind of flexibility needed to stretch their dollars farther.

4. America's bridges are another vital asset to our nation's infrastructure network. Recently, the Federal Highway Administration and the Office of the Inspector General recommended that states inspect bridges every 24 months or be fined. In order to avoid these payments, common sense tells us most states would likely put bridges on a 23 month cycle, therefore making the average inspection more frequent than every two years. While, I believe the intention of the recommendation was to have bridge inspection on a two year cycle, the language doesn't reflect this intent. I would recommend modifying this language to say "inspect bridges at regular intervals not to exceed 25 months and not less than 23 months from the established base month" so the average inspection is every other year, and not more frequently because of fines.

5. Over the course of the last few months, I have heard multiple views regarding increased truck size and weight; some views support longer trucks with a sixth axle to increase productivity, with a fee to maintain our nation's bridges. Although some groups believe the damage to roads from bigger trucks will be too much and the safety of other motorists will be jeopardized, FedEx has proposed to me an alternative plan that perhaps might satisfy both sides of this argument. Instead of increasing truck size and weight, FedEx proposes to allow the length of twin trailers to extend to 33 feet, but maintain current limits on truck weight. I want to be clear, I am not opposed to increasing truck weight, but I think the Committee should also consider extending the length allowable for the twin trailers to 33 feet so that companies that haul bulkier products can be more productive and take more trucks off the road. It would also aim to cut emissions for the industry by an estimated range of 767,000 to 2.2 million metric tons per year. This proposal was also recommended by the Transportation Research Board and the Energy Security Leadership Council and seems like it could be a win-win proposal for both trucking companies looking to be more productive and opponents of heavier truck on the roads.

Including these proposals in the transportation reauthorization bill will truly provide for "doing more with less." These proposals will allow for our transportation funds to go farther, and a faster project delivery time will cut planning and construction costs. I appreciate the opportunity to share these ideas from my constituents and industry experts in Tennessee. I hope that the Committee will take them into consideration as we begin to draft a new surface transportation authorization bill. Please do not hesitate to contact me if further details are needed for any of these proposals. I believe that each of these ideas is an opportunity to make our nation's transportation and infrastructure system more efficient as we work to live within the means of the highway trust fund.

Written Testimony of Congressman Scott Garrett (NJ-05)

Subcommittee on Highways and Transit Hearing on

Policy Proposals from Members of Congress to Reform

the Nation's Surface Transportation Programs

Tuesday, April 5, 2011

10:00 a.m. 2167 Rayburn House Office Building

Thank you, Mr. Chairman, for allowing me to testify today about a very important piece of legislation.

Construction of the National Interstate Highway System began in the early 1950's under President Eisenhower and was completed in 1991.

But since the system was completed, the federal government has become increasingly inefficient with the tax revenue it collects from motorists nationwide. Since completion, the number of licensed drivers has increased 23%[1], registered vehicles are up 32%[2], and the number of miles driven by

[1] http://www.fhwa.dot.gov/policyinformation/statistics/2008/dlchrt.cfm
[2] http://www.fhwa.dot.gov/policyinformation/statistics/2008/dlchrt.cfm

motorists has risen by 42%[3]. However, in that same time period, our nation's road capacity has increased by a paltry 6%. As a result, our transportation network is more congested and in worse condition than ever before. According to the American Society of Civil Engineers, Americans spend 4.2 billion hours a year stuck in traffic at a cost of $78.2 billion a year. Poor road conditions are estimated to cost motorists $67 billion a year in repairs and operating costs.

The current state of affairs is unacceptable and I am profoundly skeptical about the federal government's ability to invest in a 21st Century infrastructure system. SAFETEA-LU expired in 2009 and Congress's inability to find a sustainable revenue source has led to a series of short-term extensions. Uncertainty and underinvestment are making a terrible situation worse, resulting in further deteriorating road conditions and performances. It is time to consider innovative ideas that will reform the system to make it more efficient and accountable.

[3] http://www.fhwa.dot.gov/policyinformation/statistics/vm02_summary.cfm

Rather than funding state and local projects through the federal highway bill, with its history of funding wasteful projects, I am proposing a new course that allows the states more discretion over their transportation programs and maximizes the resources available to them. My proposal, the Surface Transportation And Taxation Equity Act (STATE Act), will allow any state that raises their state fuel tax, to have their federal fuel tax offset by the same amount. By allowing states to opt-out of the federal fuel tax either partly or entirely, the STATE ACT will:

- Return primary transportation program responsibility and taxing authority to the States

- Free States' transportation dollars from Federal micromanagement and budgetary pressures

- Let persons at the state level, who are best able, make decisions regarding which infrastructure projects will be built, how they will be financed, and how they will be regulated

- Eliminate the current system in which a federal fuel tax is sent to Washington and through a cumbersome Department of Transportation bureaucracy, and,

- Prohibit the federal government from forcing unwanted mandates on states by threatening to withhold transportation money.

Let me describe in more detail exactly how the legislation will work. Currently, every motorist pays their state's "fuel tax" as well as the federal "fuel tax" set at 18.2 cents a gallon.

The federal fuel tax is collected and put into the Highway Trust Fund. Then, a complicated formula is used to determine how much money goes back to each state and in what ways that money can be spent.

This method allows certain states to benefit at the expense of others. States such as Massachusetts and Pennsylvania get well over a dollar back for every dollar they contribute; while other states like Texas, Georgia, and Florida only get back around .90 cents on every dollar they contribute to the federal tax.

The STATE Act would solve the donor-donee dilemma of the current process.

For example, my home state of New Jersey has a state fuel tax of roughly 14 cents per gallon in addition to the federal tax for a total tax of 32 cents per gallon. If the New Jersey State Legislature elected to raise the state fuel tax to 32 cents – equal to the total tax now being paid - New Jersey could entirely opt-out of the federal fuel tax program and keep all 32 cents to use within the state. New Jersey would no longer get any federal transportation dollars because the state would not pay any federal fuel taxes, but all of the fuel tax revenue would stay in the state.

Under my plan, states would get an equitable return on what its residents pay in fuel taxes, and would do so at no additional cost to the consumer.

States will also have more control over their transportation dollars. The STATE Act would allow local and state transportation planners, who best understand their area's needs, to be free to pursue the transportation investments that they believe to be in the interests of their citizens. States with significant urban populations could continue to invest in transit, but would do so free from the cumbersome regulations that deter competition and limit private-sector involvement would no longer be in force.

Additionally, the STATE Act will keep the states free of unwanted federal mandates and budgetary pressures. How many times have you seen the federal government force its will upon states by threatening to withhold transportation funds? By allowing states to opt-out of the current federal fuel tax system, states would also be opting out of onerous and over-burdensome federal government regulations and red tape that needlessly drive the price of transportation projects up by millions of dollars.

Federal law also mandates that 10% of the Surface Transportation Program be devoted to "Enhancement" programs, such as landscaping, flower plantings, historic preservation, hiking trails, river walks, and museums which, while important, do not help alleviate congestion and maintain roads. States should have the discretion of whether they want to continue to use 10% of their limited Surface Transportation funds on these enhancements or on improving road conditions and increasing capacity.

While the legislation would allow states to opt-out of the federal program, it would not allow them to opt-out of responsibility to the national system. The STATE Act mandates that opt-out states will be required to maintain their segments of the interstate system up to an engineering standard through an agreement with the Secretary of Transportation.

The National Interstate Highway System has been completed. There needs to be a new system set in place that allows the states more discretion over their transportation programs and maximizes the resources available for our transportation system. I believe the STATE Act will accomplish these goals.

Thank you.

Congressman Al Green (TX-09)

Testimony to Subcommittee on Highways and Transit

Mr. Chairman and Ranking Member, thank you for allowing me to present testimony to the Subcommittee on Highways and Transit on policy proposals to reform the Federal highway, transit, and highway safety programs.

As the Committee on Transportation and Infrastructure begins to draft a long-term reauthorization of the Nation's surface transportation programs, I am pleased to offer my views on our current federal surface transportation policy.

Transportation and infrastructure investment are critical to putting Americans back to work and to putting our Nation on the path to economic recovery. My district and the city of Houston area rely heavily on federal highway and transit funding.

As you work on the reauthorization of the Nation's surface transportation programs, I ask that you include funding for the Federal New Starts Program which is very important for Houston and Texas' Ninth Congressional District.

In July of last year, the House passed a FY11 Transportation-HUD spending bill which included $1 million in New Starts funding to support the US90A rail line in my congressional district. This project involves the development of approximately 8 miles of commuter rail service to Downtown Houston and the Texas Medical Center (with 130,000 and 74,000 jobs respectively) with large residential communities such as Missouri City and Stafford (100,000 residents). It is projected that this new rail service will provide transportation to approximately 12,000 individuals per day. Ultimately, it will increase transportation options for residents, improve air quality, and create an estimated 3,000 jobs in the Houston metropolitan area. Many areas in my congressional district which have been historically left behind on transit will ultimately be served by this line. I ask that the committee continue to align resources to support these types of projects that address congestion relief in our metropolitan areas, connectivity between our urban centers, and economic development.

Transportation is essential to Houston's future. It also creates employment opportunities and gives communities choices to address their growing and changing populations. I thank you for the opportunity to provide testimony on this important issue and for your consideration of my views.

Statement by U. S. Representative Cynthia M. Lummis
At-Large Member, Wyoming
Surface Transportation Programs Reauthorization
Before the House Subcommittee on Highways and Transit
Committee on Transportation and Infrastructure

Chairman Duncan and Ranking Member DeFazio, thank you for providing members with the opportunity to testify before the House Transportation and Infrastructure Highways and Transit Subcommittee regarding a long-term surface transportation reauthorization. I have great respect for the task in front of you, and I appreciate this opportunity to share my thoughts on this important issue.

While restoring a sense of fiscal discipline to Congress is one of my top priorities, I also believe that infrastructure spending is an important and necessary task of government. The current debate regarding a new long-term highway reauthorization is set against the backdrop of our nation's economic situation. Our nation's long-term debt requires us to do more with each dollar given.

I have heard from many people in Wyoming regarding the need for a long-term surface transportation reauthorization. I offer this testimony today because they have expressed concern that any new program developed in Congress may not recognize the unique challenges my state faces in transportation infrastructure. Wyoming is the ninth largest state, and has the lowest population in the nation. Mountains, inclement weather, and great distances between communities all contribute to a heavy reliance on roads and bridges that must be in good repair. It is typical for us to drive 100 miles to a doctor, to a shopping center, or to business. Despite nearly 1,000 miles of federal Interstate Highway, large parts of Wyoming rely on other federal, state, county, and local roads for their daily travel needs. A partnership between the state of Wyoming and the federal government is necessary to ensure adequate funding for our transportation infrastructure.

Wyoming citizens pay approximately \$300 per person into the highway account of the highway trust fund each year. Nationally, the average citizen pays about \$104 per person into the highway account. Despite the heavier burden placed on Wyoming citizens, our small population simply cannot fully fund the needs of our federal highway system alone. Federal assistance is crucial.

The development of a long-term surface transportation reauthorization must address the funding mechanism for these programs. It must also carefully scrutinize how these funds are spent. For years, the federal gas tax provided the Highway Trust Fund with enough revenue to fund our nation's federal surface transportation programs. However, this is no longer the case. The use of more fuel-efficient vehicles and fewer miles being travelled has caused a decline in Highway Trust Fund revenues. We should review options like toll roads and the gas taxes that we pay.

Part of the Highway Trust Fund shortfall is also due to a spending problem. Federal gas tax revenues that are paid into the trust fund by highway users should be used for the programs that benefit highway users. When we shift highway dollars to highway beautification, cityscapes and mass transit, we are taking dollars away from the maintenance and improvement of our highways. We can forgo spending on the programs that provide the least benefit to our highway users to ensure that sufficient dollars exist to support our highways and roads. Priority must be given to the highway programs that are essential to the surface transportation needs of our states and our nation.

Federal investment in surface transportation infrastructure benefits the entire nation. I recognize that your committee must address the needs of regions across the country, including those with major metropolitan areas. As you continue to develop a long-term highway reauthorization, it is my hope that consideration will be given to the unique transportation needs and challenges of rural states like Wyoming. Thank you Chairman Duncan and Ranking Member DeFazio for allowing me to share my thoughts with the House Transportation and Infrastructure Highways and Transit Subcommittee. I look forward to working with you as you continue to develop a long-term federal surface transportation policy.

CATHY McMORRIS RODGERS
5th District, Washington

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Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
"Member's Day"
Tuesday, April 5, 2011
2167 Rayburn House Office Building
Written Testimony of Congresswoman Cathy McMorris Rodgers
Submitted Tuesday, April 12, 2011

I want to thank the Subcommittee on Highways and Transit for the opportunity to submit testimony. I represent the fifth congressional district of Washington, which encompasses Eastern Washington. Eastern Washington has been and continues to be a vital hub to the Pacific Northwest, facilitating the movement of goods and services and connecting major trade centers such as Seattle, Portland, Vancouver, and the entire Pacific Northwest to the rest of the United States.

It is critical that we reauthorize Surface Transportation programs during the 112th Congress. Let me explain why. Our nation faces serious economic challenges— job creation is chief among them. A multi-year transportation bill will allow local communities to invest in long term development, which will result in jobs. Investment will spur economic development, which in turn will rejuvenate local communities and surrounding areas.

Over the last few weeks, I have had the privilege of meeting with various transportation and community stakeholders from Eastern Washington. Throughout these meetings, they have emphasized several key points.

First, the need to increase regional allocations to metropolitan planning organizations (MPO). This would provide MPOs with the opportunity to receive funds directly from the federal government. In previous years, when all transportation funds were sent directly to the State Department of Transportation, the majority of funds were directed to the more urban areas, with rural areas receiving an insufficient portion. By providing federal dollars directly to the MPOs, this would allow rural areas to receive the funding needed to adequately administer their transportation projects.

Second, the need to streamline the permitting and development process. If all Departments and Agencies were able to conduct concurrent reviews for permits, this would save time and funds. Additionally, within the permitting process, we need to utilize the most advanced technology to promote speed and efficiency.

Third, the need to explore and develop Infrastructure Banks, Grant Pools, and Public-Private Partnerships where applicable.

Fourth, the need to continue support for infrastructure projects like the TIGER Grant program. The TIGER Grant program provided $1.5 billion for transportation projects deemed to have a significant economic and environmental benefit to a metropolitan area, region, or to the nation. These grants

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provided funding for transportation projects across the nation and created jobs for individuals who were otherwise unemployed. To that end, the TIGER Grant program was successful and should be developed further within a multi-year transportation bill.

Finally, the transportation stakeholders in my district emphasized that a transportation bill needs to identify and authorize investment for regionally significant projects that promote community involvement and infrastructure development. In Spokane, Washington, the North Spokane Corridor is a multi-model project providing for the efficient movement of north/south freight and passenger vehicles through the Spokane area. Additionally, upon its completion, the North Spokane Corridor will save drivers approximately 1.7 million gallons of gas per year and will improve air quality by reducing regional emissions by 2.4 million pounds of carbon monoxide each year. Equally important, the North Spokane Corridor provides jobs and new economic growth opportunities for adjacent commercial and industrial development.

Thank you for your time and consideration.

Michael Michaud

Statement of the Honorable Michael H. Michaud
Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
April 5, 2011

As the Committee on Transportation and Infrastructure continues work on a surface transportation reauthorization, we must look for commonsense ways to reduce accidents, limit the amount of damage that is done to our roads and improve the efficiency of businesses that are struggling in a tough economic environment.

Recently, I worked with Congresswoman Schmidt to reintroduce bipartisan legislation to accomplish all three of these goals. H.R.763, the Safe and Efficient Transportation Act (SETA), would provide states with the option to raise interstate weight limits, so long as they take steps to make these trucks safer and reduce the impact on our roads and bridges.

Under SETA, any truck operating at a higher weight limit would be required to add an additional axle to maintain braking capacity. Each state would be provided the authority to restrict the operation of these trucks on older bridges or any route that might pose an unreasonable safety risk. These trucks will pay an increased user fee, providing additional revenue for a dedicated bridge repair program. And states would be required to monitor the performance of these vehicles, ensuring that the impact on safety – as well as bridge and pavement maintenance costs – is well documented.

Most importantly, SETA does not allow for longer trucks. In fact, it is unlikely that the average person would notice a difference between the types of trucks on the road today and those that would be allowed under SETA – the only change would be an addition of another axle. Under current law, trucks are forced to operate inefficiently. Often, a truck will reach the weight limit while there is still space left. As a result, it takes more trucks to ship the product, increasing the amount driving through our neighborhoods and the amount of congestion in heavily-trafficked areas.

The benefits of this configuration have been well documented. Since the United Kingdom made a similar change, fatal truck-related incidents have declined by 35 percent. And according to the Wisconsin Department of Transportation, SETA would have prevented 90 truck related accidents in 2006.

Two factors contribute to these safety improvements. First, the extra axle allows the truck to maintain braking capacity. Second, shippers can move their products more efficiently, reducing the number of trucks needed to ship a product. A smaller number of trucks on the road results in fewer truck related accidents.

Reducing the number of trucks also reduces the impact on our infrastructure. According to a study by the United States Department of Transportation, SETA would save \$2.4 billion in pavement restoration costs over 20 years.

Finally, SETA will improve the efficiency of businesses that are still under pressure in a difficult economy. Our weight limits are among the lowest of our major trading partners, which puts businesses in the United States at a disadvantage when competing with Canada, Mexico and most of Europe. SETA would end this disparity. As a result, businesses would be able to consolidate goods and reduce shipments, saving fuel and reducing greenhouse gas emissions.

I look forward to working with the other members of the Committee to make the changes necessary to ensure that the vehicles on our highways can work as safely and efficiently as possible.

Additionally, we must support the development of innovative designs, materials and construction methods that will reduce costs, decrease construction times and extend the life of our roads and bridges.

Moving forward, we should continue the programs that help to identify, develop and support innovative infrastructure investments. However, we must also ensure that these programs are effectively moving these innovative technologies beyond the early stages of development and helping to establish them on the scale that is necessary to accurately test their effectiveness and make them a viable alternative to traditional investments.

In my district, the University of Maine has done tremendous work developing an innovative composite-concrete bridge. The development and application of advanced lightweight materials makes the "Bridge-in-a-Backpack" stronger, faster and cheaper than a traditional bridge.

The use of an external composite shell protects the concrete from environmental impacts, reducing maintenance costs due to corrosion and dramatically expanding the lifespan of the bridge. These lightweight arches can be installed in a matter of weeks with a smaller construction crew than traditional bridges. As a result, the Bridge-in-a-Backpack is less expensive than traditional bridges over its lifecycle. Recent installations have also proven that it is cheaper on a first-cost basis.

These bridges have been successfully installed by the Maine Department of Transportation and are being adopted in other New England states this year. Additional installations will reiterate that it is cost effective and has significant benefits compared to traditional methods. The bridge has also been praised by the American Society of Civil Engineers, the American Council of Engineering Companies, and American Association of State Highway and Transportation Officials. It has been tested in the lab and the field and is ready to be rolled out nationally.

While the University of Maine and the Bridge-in-a-Backpack have received federal support in the past, it is imperative that we takes the steps necessary to ensure that innovations like this move out of the earliest stages of research and development and become a viable option for infrastructure investment. I have no doubt that, with the proper focus, the Department of Transportation can play an important role working with the private sector to ensure that the Bridge-in-a-Backpack and other newly developed technologies are established on a national scale. Doing so will help lift the strain on our nation's stressed transportation system while extending the lifespan of our future investments.

The Honorable Devin Nunes
U.S. Representative (CA-21)
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"Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs"
April 5, 2011

Mr. Chairman, I appreciate the opportunity to provide testimony for your consideration as the Transportation and Infrastructure Committee continues to work to improve and reform our nation's transportation programs.

In the face of record, and utterly unsustainable, deficit and debt levels, we must find ways to meet our transportation mobility, air quality and safety goals within the constraints of current user fee receipts. One opportunity "to do more with less" is to loosen restrictions on the operation of more productive trucks.

It has been 29 years since the federal government has made a significant change in this area. Since that time, congestion on the nation's highways has grown significantly, as have concerns about the environmental impacts caused by cars and trucks.

Larger and heavier trucks are not appropriate everywhere, but can be operated safely on many highways, including the Interstate System. Moreover, the use of larger and heavier trucks can reduce transportation costs, which is particularly important to agricultural producers, like my constituents in Fresno and Tulare Counties as well as to the average American consumer. The use of more productive vehicles can also reduce fuel usage and greenhouse gas emissions.

I support efforts to both make existing truck size and weight limits more uniform, and to give States more flexibility to determine the types of trucks allowed on their highways. While the States are in the best position to address any particular impacts on safety or on highway and bridge infrastructure, I do think it is important to ensure that certain outlier States, like California in the context of its current restrictions on the use of cattle trailers, cannot unreasonably impede the flow of interstate commerce.

Thank you, Mr. Chairman. I hope truck productivity will be on the table for this reauthorization bill, and look forward to working with you and other Members of the Committee on this and other important transportation issues.

David Price

Rep. David Price
Statement for the Record
House Committee on Transportation and Infrastructure
Hearing: Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs
April 5, 2011

I would like to thank the distinguished Chairman and Ranking Member for their commitment to investing in our nation's transportation and infrastructure. I appreciate this opportunity to offer my input on the reauthorization of our nation's surface transportation programs.

Maintaining a vital, national infrastructure has been a federal responsibility since the founding of the Republic, although our needs have certainly changed over time. Yet our nation's transportation program has not been significantly upgraded since the 1950's, when President Eisenhower created our federal highway system. We need a new vision for a modern transportation system that meets the needs of the 21st Century as it provides safe, convenient, efficient transportation options.

There are likely to be some reforms we can all agree on, but at the end of the day, all of them are dependent on adequate overall funding. The 2005 SAFETEA-LU bill was trapped from the outset between demand for new roads and White House insistence that the final bill not rely on an increase in the gasoline tax or spending beyond what is available in the Highway Trust Fund (HTF). In my opinion, the end result was a bill that woefully underfunded our transportation investments, and we must not make the same mistake again.

I would like to reaffirm my concern for donor states, like North Carolina, that receive significantly less in highway aid than they contribute in federal highway taxes. SAFETEA-LU tried to improve our lot by raising the minimum donor state guarantee (from 90.5 to 92 percent) and creating the Equity Bonus program to ensure that donor states receive this guaranteed level. I urge you to include such provisions in the reauthorization to ensure that donor states get a fair rate of return once and for all.

The solvency of the HTF remains a great concern, and as long as the Fund's revenue is tied to gas tax revenues, this push and pull will continue to be a real problem. I cannot deny that finding a long-term funding solution will be challenging. There simply is no easy answer. The Commission established under SAFETEA-LU put forth a variety of financing options -- from an increase in the federal gasoline tax, to additional toll roads, public-private partnerships, congestion pricing, and user fees where drivers pay a tax based on how many miles they drive (VMT) -- that merit consideration. Other ideas for providing the resources needed to meet our transportation needs include bolstering the TIFIA loan program and/or establishing a national infrastructure bank. Our resource needs are great, and given the correlation between economic growth and infrastructure, it is imperative that we meet this challenge.

Equally important is determining how our limited resources can best be spent. Some have advocated a "fix-it first" emphasis for federal distribution of highways and transit grants. While maintaining existing infrastructure is obviously essential, "fix it first" does not take into account considerations of high-growth states that must invest in expanded capacity to keep pace with demand.

A prudent transportation strategy calls for investments in viable transportation alternatives. We need to build a multi-modal transportation system that uses less oil, takes advantage of alternative fuels, and shifts as much of our travel as possible from transportation modes that consume a lot of energy to those that consume less: from walking and bicycling to mass transit, such as buses and high-speed rail. The federal government can and should be a willing partner as communities invest in all modes of transportation. The Administration has proposed converting the current Highway Trust Fund (HTF) into a new Transportation Trust Fund (TTF) with four accounts -- highways, transit, high-speed passenger rail, and a National Infrastructure Bank -- and I generally support the broader flexibility of this approach.

Most states and transportation advocates agree that existing programs could be streamlined and simplified. And while I agree in principle, there are certain programs that I believe are worthy of being maintained. These include Congestion Mitigation and Air Quality (CMAQ) programs, Transportation Enhancements (TE), the Recreational Trails Program (RTP) and Safe Routes to School (SRTS).

Each of these programs helps stretch our transportation dollars so that they accomplish multiple objectives; they are the essence of smart spending. CMAQ is a critical program that provides flexible funds to states for transportation projects that reduce traffic congestion and help states meet Clean Air Act requirements. The TE program likewise improves transportation options for all users, whether pedestrians, bicyclists, transit riders, older persons, individuals with disabilities, and motorists.

The RTP provides funds to the States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses, including hiking, bicycling, and using other off-road motorized vehicles. This "user pays, user benefits" program has actively involved diverse trail interests through state trail advisory councils, and has funded over 15,000 projects across the country since its inception in 1991. These projects provide critical tourism and other economic development opportunities. Like most programs, a minimum 20 percent match is required for these projects, but in practice, the projects attract much greater non-federal support.

Finally, the SRTS Program, whose headquarters is in my district, empowers communities to make walking and bicycling to school a safe and routine activity and provides an alternative to communities that cannot afford to provide bus service. Thousands of schools across the nation have utilized this funding to implement a variety of programs and projects, from building safer street crossings to establishing programs that encourage children and their parents to walk and bicycle safely to school. I am working with Congressman Blumenauer on legislation to update this program and I believe it is worthy of continued investment.

I also support the U.S. Department of Transportation's role in cooperation with the Partnership for Sustainable Communities. With relatively modest funding, the agency has worked efficiently with communities to decrease red tape, ensure government coordination, and fund projects supported by multiple stakeholders. The demand for this program was 40 times greater than the available resources. It exemplifies the type of effective government program that can coordinate government spending to help communities implement projects quickly.

Many in the transportation community – including our state DOT's – are urging Congress to act quickly to address the nation's transportation system, and make smart investments that will put Americans quickly to work. A robust surface transportation bill would provide Congress with an opportunity to create jobs and foster economic development, while investing in our communities and helping to move people and goods throughout the country more efficiently. I agree that we should move forward deliberately to pass the next multi-year bill, and I look forward to working with the Committee on this vital jobs legislation. Thank you.

Mike Quigley

Mike Quigley (IL-05)

Statement for Transportation and Infrastructure Committee Hearing "Policy Proposals from members of Congress to Reform the Nation's Surface Transportation Programs"

April 5th, 2011

Chairman Mica and Ranking Member Rahall,

I am encouraged that the House Committee on Transportation and Infrastructure has announced its intent to begin work on a full Surface Transportation Reauthorization. Reforming our Nation's Surface Transportation Programs will take hard work – we cannot settle for short term stop-gaps, but must seek long-term solutions. It is my sincere hope that we can move past the partisan infighting that has crippled our ability to address our nation's transportation system with the thoughtfulness it demands.

Illinois loses billions in lost revenue each year due to congestion. Our roads are in poor condition and many of our bridges are structurally deficient. Our freight rail system, which is a cornerstone of the local economy, is becoming obsolete. Our transit systems are falling into disrepair – the Chicago Transit Authority alone has billions of dollars in capital needs. Sadly, these problems are not unique to my district. Communities across the country experience the misfortune of deferred maintenance every day. A long term, robust, surface transportation authorization is the only way to begin to address many of the common issues that plague our transportation and infrastructure system.

The need for a reauthorization is clear in Chicago and communities across the country. Part of that authorization must include a commitment to ensuring that taxpayer dollars are being spent fairly and efficiently. Today, I respectfully request the members of this Committee to include language in the next authorization that would clarify Section 112 of title 23 United States Code to reaffirm the intent of Congress was never to prevent states from ensuring that their contracting conforms to the highest ethical standards.

As it stands today, possible ambiguity in Section 112 of title 23, United States Code has prevented states from enacting meaningful reform laws for transportation contracting. Currently it is the Federal Highway Administrations' (FHWA) position to withhold federal highway dollars from states that attempt to eliminate the awarding of contracts based on "pay-to-play" – a practice of trading campaign contributions for lucrative government contracts.

Many state and local governments, including my home state, have enacted laws that eliminate pay-to-play. Unfortunately, those entities continue to be punished by the FHWA, making it difficult, if not impossible, to implement anti-corruption laws if they are interested in receiving Federal highway dollars. In two states – New Jersey in 2004 and Illinois in 2008 – FHWA threatened to withhold money, forcing them to amend their laws, or have millions of Federal Highway dollars withheld.

Last Congress, I introduced legislation to address this issue. H.R. 3427, the State Ethics Law Protection Act, passed the House unanimously but was never acted on in the Senate. Inclusion of this simple legislation in the next reauthorization would clear the way for the FHWA to truly be supportive of states efforts to combat the practice of pay–to-play, and to ensure that contracts are awarded in a fair and ethical manner. Allowing states to enact anti-corruption reform measures moves us toward our larger goal of operating in the best interest of our taxpayers – ensuring that tax dollars are being spent on infrastructure projects based on their merit, rather than for political reasons.

Over the coming months I look forward to working with the Committee to see a full and robust reauthorization of a surface transportation bill. It is my hope that this bill will include the language of H.R. 3427, which would allow states to upgrade and modernize their transportation systems while also operating in the most transparent, efficient and effective manner possible.

Testimony to the Transportation and Infrastructure Committee on Transportation and Infrastructure
Representative Dave Reichert
April 5, 2011 "Member's Day"

Chairman John L. Mica, Ranking Member Nick J. Rahall, and members of the committee: thank you for giving me the opportunity to submit testimony emphasizing the importance of a freight strategy as the Committee works to draft a long-term reauthorization of the nation's surface transportation programs.

As we all know, freight and goods movement plays a key role in our everyday lives. In addition to facilitating the flow of commerce and people, the nation's freight infrastructure is key to securing America's economic future and maintaining our competitiveness in world markets.

My state of Washington is a gateway for imports and exports with the Asia-Pacific region. According to the Washington State Department of Transportation (WSDOT), $27 million of freight moves on Washington roadways every hour of every day. In 2010, freight-dependent industries accounted for approximately 44% of Washington's jobs. This includes more than 625,000 jobs in the retail and wholesale trade; 528,000 jobs supported by "Made in Washington" products; and almost 77,000 jobs supporting Washington's role as a "Global Gateway" to the nation.

Additionally, Washington State's manufacturers and farmers rely on the freight system to ship Washington-made products to local customers, big U.S. markets, and worldwide. About 70 percent of international goods entering Washington gateways continue onto the larger U.S. market, creating wealth and jobs in every state.

I highlight only a few examples from a long list to demonstrate the need for a freight mobility strategy. The efficient interaction among ship, rail, truck and air lowers logistics costs, generates economic growth, and maintains cost-effective business practices for every American.

Currently, congestion along the nation's highways, ports and rail lines carries with it a high cost. It serves as a barrier to trade. It slows our country's economic growth and hinders our ability to compete in the global market place.

Congestion also impacts the quality of life of American citizens, freezing mobility, polluting the air and driving up prices on consumer goods. It undermines our future by wasting large amounts of fuel that we purchase with debt from foreign countries.

A focused freight strategy would be a great help to remaining competitive in world markets and growing jobs in the United States. Goods movement infrastructure is vital to our economy and must be one of the federal government's core priorities.
I urge the committee to consider creating a new, multimodal freight strategy in the next surface transportation authorization to help guide long term planning. I thank you for your time and consideration.

Jean Schmidt
2nd District of Ohio

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Congress of the United States
House of Representatives

Committee on Agriculture
Subcommittees
Ranking Member, Horticulture and Organic Agriculture
Department Operations, Oversight, Nutrition, and Forestry
Conservation, Credit, Energy, and Research
Committee on Transportation and Infrastructure
Subcommittees
Aviation
Highways and Transit
Railroads, Pipelines and Hazardous Materials

April 4, 2011

The Honorable John L. Mica
Chairman
Committee on Transportation and Infrastructure
2165 Rayburn Building
Washington, DC 20515-0005

Dear Chairman Mica:

I write to respectfully request your support for pavement preservation in the reauthorization of the Surface Transportation bill.

Pavement preservation uses cost-effective treatments, practices, and strategies to maintain and increase the longevity of our roadways. Types of treatments include asphalt crack sealing, slurry or micro-surfacing, thin and hot-mix asphalt overlay, concrete joint sealing, diamond grinding, and dowel-bar retrofit.

Preservation projects can be completed within a short timeframe resulting in less traffic congestion and improving productivity for shippers. The enhanced longevity of roadways and the shorter timeframe for maintenance, also improves safety for motorists who spend less time having to navigate through busy and congested work zones.

Pavement preservation also saves money. My understanding is each dollar spent on preservation treatments saves approximately six to ten dollars in major highway rehabilitation and reconstruction costs.

Specifically, I ask that the reauthorization bill permit States to use their federal-aid highway funds for pavement preservation programs and treatments. The Federal Highway Administration, in 2005, developed a definition for pavement preservation that the industry supports, which is "a program employing a network level, long-term strategy that enhances pavement performance by using an integrated, cost-effective set of practices that extend pavement life, improve safety, and meet motorist expectations."

There is no revenue cost to this proposal which allows States and localities to determine how to best maintain their roads and highways. Ensuring pavement preservation is an option available to all States should be part of our efforts to enhance federal-aid highway program flexibility.

Thank you for your attention to this matter.

Sincerely,

Jean Schmidt
MEMBER OF CONGRESS

JS/jl

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Testimony of Representative Adam Smith of Washington to the Subcommittee on Highways and Transit of the House Committee on Transportation & Infrastructure.

Prepared and Submitted for the Subcommittee hearing held Tuesday, April 5, 2011.

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to offer testimony on the critical subject of long-term financing options for freight infrastructure.

As this Subcommittee, the Committee on Transportation and Infrastructure, and the 112th Congress examine how to improve upon and fund enhancements to our nation's transportation system in the coming years, I would like to particularly emphasize the importance of providing long-term and predictable financing to support and improve national freight mobility.

Our nation's multimodal freight transportation system is a national asset and is critical to U.S. productivity and global competitiveness. As a Member with significant transportation assets in and around my congressional district, including the Port of Tacoma, Interstate 5, heavily-utilized Class 1 and short line railroad assets, and many trade-related businesses, I observe firsthand the importance of commerce and transport issues to our economy and the infrastructure challenges in moving goods to, from, and through points in Washington State. Unfortunately, over the years, that system has become inadequate to meet the demands placed upon it and is now in dire need of increased and sustained investment.

Already, our nation's freight network carries over 12 billion tons of freight worth eleven and a half trillion dollars. According to the American Association of State Highway and Transportation Officials (AASHTO), over the next twenty years, it is anticipated that the volume of domestic freight will double, and international freight will triple. At the same time, the backlog of infrastructure investments that are necessary to maintain the current surface transport system and to meet tomorrow's demands continues to grow. It is critical that freight be addressed in the surface transportation reauthorization legislation that Congress will soon consider.

The investment required can best be provided through a separate federal freight mobility program, supported by its own dedicated revenue source. Creating such a program has been endorsed by the National Surface Transportation Policy and Revenue Study Commission, the National Surface Transportation Infrastructure Financing Commission, a recent Government Accountability Office study and numerous transportation organizations, including the Freight Stakeholders Coalition and its 17 members.

In the previous Congress, I introduced legislation, H.R. 2707, the National Freight Mobility Infrastructure Act, to establish such a federal freight infrastructure program, and look forward to doing so again during this Congress.

The National Freight Mobility Infrastructure Act would create a National Freight Mobility Infrastructure Program to provide grants to states and other designated entities for nationally- and regionally-significant projects that will improve the efficiency of freight movement in the United States. USDOT would award grants under this program on a competitive basis and according to merit-based criteria.

Projects eligible under this program could include grade-separations; railroad bypasses, spurs and side tracks; the expansion of rail and highway tunnels; railroad track, intermodal facilities and highway and road construction at international gateways, land, sea and air ports, points of congestion, and logistics centers; rail and highway bridges; highway ramps and lanes, including lanes that segregate freight and passenger traffic, and other meritorious freight mobility improvement projects.

USDOT would only approve grants for projects that improve freight mobility and national freight capacity and efficiency; are cost-effective; based on the results of preliminary engineering; are supported by an acceptable degree of non-federal financial commitments; and are justified based on the extent to which the projects would enhance national and regional economies by allowing economic development, growth, and maximization of economic opportunities.

Under the program, USDOT would employ strict merit based criteria in choosing which projects to fund, and would require that successful projects have stable, reliable, and available non-federal funding sources and reasonable contingency amounts to cover unanticipated cost increases. Transparency would be stressed in order to ensure an open and reviewable process that can be followed before the final decisions are made.

Funds for these programs would be generated by a freight specific user fee and deposited into a newly-created National Freight Mobility Infrastructure Fund dedicated exclusively to supporting freight mobility projects through the aforementioned program.

The user fee assessed by this proposal would be imposed at a rate of one percent on the cost or fair market value of multi-modal ground transportation of property within the United States, with a few common sense exceptions for federal, state, and local government transportation as well as transport within a local geographic area. Fair market value would be established by the amount paid for transportation of property by freight rail or highway, or the amount that would be paid if transport were provided by a non-related provider.

Generation of revenue in this manner offers several benefits, including that it would be assessed across the modes of surface freight transport, it treats the different methods of transporting goods equally, is automatically-indexing, and would not require frequent adjustment to account for inflation.

Many in the freight transportation sector have expressed their willingness to support a new user fee if the proceeds are dedicated exclusively to important freight mobility improvements. Revenue generated on freight movement in the United States is the most rational and equitable way to raise the resources that are necessary to continue our investment in our national freight transportation network.

I would appreciate this Subcommittee's consideration of my proposal for a National Freight Mobility Infrastructure Fund as outlined in the National Freight Mobility Infrastructure Act from the 111th Congress. Additionally, there have been several other legislative proposals focused on freight transport that I would also respectfully encourage this Committee to consider. Our colleague from New Jersey, Congressman Albio Sires, has again introduced legislation that I am a cosponsor of, which will implement a strategic plan to guide the movement of goods, create an office devoted to freight planning within the Department of Transportation (DOT), and establish a competitive grant program for freight transportation projects.

Thank you for the opportunity to speak before this Committee. Let me close by emphasizing the need for critical improvements to our national freight mobility network. Federal support for vital freight mobility projects will provide critical improvements to our interstate and international economy. By focusing resources on targeted, critical infrastructure improvement goals, the Freight Mobility Act would help increase the efficient movement of freight throughout the United States, reduce congestion and delays, and ensure that our national infrastructure remains internationally competitive.

STEVE SOUTHERLAND II
2ND DISTRICT, FLORIDA

COMMITTEE ON AGRICULTURE
COMMITTEE ON NATURAL RESOURCES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Congress of the United States
House of Representatives
Washington, DC 20515–0902

House Committee on Transportation and Infrastructure, Subcommittee on Highways

Hearing: Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs

Statement for the Record

U.S. Representative Steve Southerland, II

Thank you for the opportunity to provide meaningful policy recommendations as the House Transportation and Infrastructure Committee, Subcommittee on Highways considers reauthorization of the Surface Transportation Authorization Act, *the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) PL 109-59.

Our nation faces unique and pressing transportation challenges in the efficient and timely movement of the traveling public as well as goods in commerce. At the same time, we must seek to promote and sustain the economic strength of this nation, while recognizing the important challenges we face as a county in the growth of the national debt facing future generations. Therefore, it is imperative that we as a nation set transportation policies in a manner that optimizes economic efficiency and strengthens rural and urban transportation corridors across the United States.

Florida, and the 2th Congressional District which I represent, because of our varied land use and population diversity, as well as rich natural resources dependent upon safe and efficient transport, offers significant opportunities and challenges in transportation policy. For this reason we must work constructively at the federal level, in conjunction with local and state partners, to provide sustainable transportation infrastructure. For it is most often these state and local entities who are most well-equipped to respond to unique and diverse transportation needs. Likewise, it is imperative that we work with our private partners, those with a vested interest in the safe and efficient transport of goods, to leverage valuable transportation dollars to reach our nation's highway and infrastructure goals.

As the 112th Congress considers reauthorization of the *Surface Transportation Authorization Act,* a wide range of highway and transit issues must be considered. Toward this end, I asked the Subcommittee to please consider the following important transportation policy recommendations and polices in the formulation of the next Surface Transportation Act. I would also appreciate the Subcommittee's ongoing consideration as I continue to receive valuable transportation recommendations from my congressional district and state. Thank you again as a Member of this Subcommittee for the opportunity to assist in meeting our nation's transportation policy goals.

Sincerely,

Steve Southerland, II
Member of Congress

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Representative Steve Southerland – Transportation Reauthorization Policy Recommendations*

Donor State Inequity

Current inequities exist in the formula for payments to some states, such as Florida, who pay more in gas taxes than transportation funds received under the Highway Trust Fund. Even after planned improvements under the last reauthorization bill, Florida's historic rate of return since 1956 has been 87 cents. Florida has effectively contributed more than $4.5 billion to other states over this period. As the Committee on Transportation and Infrastructure begins to develop proposals to replace the current authorization of the federal highway program, addressing these regional transportation funding inequities should be a high priority.

Flexibility in Federal Guidelines

In order to deploy federal transportation dollars in the most effective and cost efficient manner, some consideration should be made to tailor federal transportation regulations and guidelines to varying and unique transportation infrastructure circumstances, in collaboration with state and local entities.

Strengthen Rural Local Officials Role in Statewide Transportation Planning and Programming Processes
Supported by the National Association of Development Organizations

Consider modifying the statewide transportation planning guidelines for state DOT consultation requirements with rural/non-metropolitan local elected officials as part of the SAFETEA-LU federal highway and transit reauthorization process. The current process allows for urban Metropolitan Planning Organizations (MPO) to actively participate in the state transportation planning process, however, there is not similar access of mechanisms for input for *rural* areas.

Please support the establishment and funding of Regional Transportation Planning Organizations (RTPOs) to provide a formal governance structure for state transportation officials to solicit, gather and coordinate the input and priorities of local elected and appointed officials, along with other key transportation, economic development and community stakeholders, in areas outside the boundaries of Metropolitan Planning Organizations (MPOs). This is particularly important since most local governments have responsibility and ownership of various transportation assets—roadways, bridges, ports, airports, transit systems and intermodal facilities—that connect with state-owned transportation infrastructure.

Raise Awareness of Evacuation Routes in States
Important to Florida and other coastal or vulnerable regions

Include language in the Surface Transportation Reauthorization bill that directs State Departments of Transportation to "give consideration to the condition and effectiveness of local evacuation routes" when dispersing funds received from the measure. The current Surface Transportation Reauthorization measure does not require that states consider the reliability or effectiveness of evacuation routes when prioritizing how to use federal dollars. (Language enclosed.)

Truck Weights
Supported by Florida Chamber of Commerce, Florida Forestry Association, Florida Cattlemen's Association and other state and national organizations

In order make our transportation network safer and more productive, while reducing our dependency on foreign fossil fuels, our nation's interstate highway truck weight limit must be expanded.

Florida, as well as many regions of the nation, face a much-needed opportunity to raise interstate weight limits to safely ship freight, as well as remain competitive with neighboring states. From an infrastructure spending standpoint, the U.S. will not be able to expand its road infrastructure network fast enough to keep pace with projected demand, therefore minimizing the number of truck trips needed to ship each ton of freight is key.

Raising truck limits on federal highway helps protect and expand U.S. manufacturing jobs – keeping jobs in rural communities that depend on them. It would also reduce inefficiencies in constrained supply chains to benefit companies, employees and communities; allows forestry to be more productive, sustaining the local economy; makes domestic manufacturing facilities more globally competitive; and facilitates trade, particularly in states like Florida with key ports of entry where the efficient movements of freight are paramount.

Life Cycle Budgeting - Fiscal Transparency and Accountability in Infrastructure Spending
Supported by the American Association of State Highway and Transportation Officials (AASHTO)

In this challenging economic climate, federal and state government budgets are faced with unprecedented budget shortfalls and growing deficits. We cannot afford to continue the current approach to budgeting infrastructure projects, with no consideration of strategic planning. Currently, federal and state transportation officials often focus on initial short-term project costs and fail to account for the actual, long-term life-cycle costs associated with infrastructure projects. Failure to plan and account for the full costs of infrastructure projects creates a level of budgetary uncertainty, which only furthers the fiscal challenges facing state officials.

Therefore, we need a comprehensive, data-driven approach to infrastructure spending that encourages savings and accounts for the total costs over the long-term. These available policy tools include:

1) Require transparency in all infrastructures – investments by accounting for the direct and indirect costs incurred in initial construction, maintenance, and repair over a long-term life-cycle window. TRANSPARENT LIFE-CYCLE COST ANALYSIS (LCCA).
2) Optimize the efficiencies of – structural engineering inputs based upon regional differences from the first stages of design, resulting in cost-savings and roads that last longer and require less maintenance. MECHANISTIC EMPIRICAL PAVEMENT DESIGN GUIDE (MEPDG).
3) Create competition and ensures that the most cost-– effective project designs are considered for final selection. ALTERNATE DESIGN/ALTERNATE BID (ADAB)

PrePass
Supported by the Florida Trucking Association, (Rep. Jean Schmidt circulated letter of support.)

PrePass is an electronic preclearance system that enables voluntarily-enrolled trucks to comply electronically with state safety, weight and credential requirements at more than 292 locations in 30 states. Of these, 26 locations are within Florida. Since Florida deployed PrePass in 2000, trucks have complied electronically with our state's safety, weight and credential requirements over 40.7 million times.

As a result of this system in Florida alone, the motor carrier industry has saved over 16.3 million gallons of fuel, nearly 3.4 million hours of driver time, and nearly $264 million in operational savings. According to estimates based on data from the Environmental Protection Agency, PrePass reduced greenhouse gas emissions in Florida by over 36,000 metric tons. By reducing congestion in and around weigh stations, PrePass reduces the potential for accidents.

Coordination National Forest Service/Federal Emergency Management Administration (FEMA)
Supported by the City of Tallahassee, Florida

Recognize and encourage collaboration among federal agencies including the National Forest Service concerning right of way transportation issues as well as the Federal Emergency Management Administration for facilitation of highway and infrastructure efficiency matters.

**Includes but not limited to all of Rep. Southerland's potential transportation recommendations.*

Research Report
January 2011

Florida TaxWatch

106 N. Bronough St. • Tallahassee, FL 32301 • (850) 222-5052 • FAX (850) 222-7476
This report was initially released electronically at www.FloridaTaxWatch.org

Florida Remains a Donor State Even Through The Great Recession

Florida Is Still Failing to Get a Proportional Amount of Federal Grants

In 1998, Florida TaxWatch released a report analyzing how Florida fared relative to other states in grants received from the federal government. *That 1998 report found that Florida ranked 49th in per capita federal grants received*, meaning only one state receives less than Florida. This update to that report finds little has changed since then. Florida is still not receiving a fair share of federal grants. [1]

In Federal Fiscal Year 2009,[2] the Sunshine State's rank increased a net of just one spot – from 49th to 48th in the country – in the past twelve years despite the growth that the state has seen. Today, as we see unprecedented Federal spending and money going from Washington, DC to state capitals, **Florida continues to receive less in federal grants to state and local governments than almost every other state.**

If Florida received the national average in per capita grants for 2009, the Sunshine State would have received an additional $10.6 billion in federal grants. If Florida had received a share of federal grants equal to its share of federal taxes paid, it would have received $3.2 billion more than it actually received.

Per capita grant receipts. During 2009, Florida received $22.686 billion in federal grants. This breaks down to $1,224 per Floridian, which is more than $500 dollars per Floridian less than the $1,798 per capita nationally.[3]

Florida is ranked 48th in the amount of per capita aid received, beating only Nevada ($1,189) and

[1] This report analyzes only federal grant expenditures to state and local governments. It does not include other forms of federal aid such as loans, tax relief, or grants to individuals, profit or non-profit organizations, Payments in Lieu of Taxes (PILT), or payments for services rendered.

[2] All years in the report refer to the Federal Fiscal Year, which is October 1 through September 30. (The State of Florida's Fiscal Year runs from July 1 to June 30.)

[3] U.S. Census Bureau. *Federal Aid to States for Fiscal Year 2009*, August, 2010. Retrieved from www.census.gov/prod/2010pubs/fas-09.pdf. Note: National average includes Florida and the District of Columbia. When Florida is removed, the national average rises $1,800 per capital.

Virginia ($1,138). Florida also receives considerably less in per capita aid than the District of Columbia and the territories of American Samoa, Guam, Northern Marianas, Puerto Rico, and the Virgin Islands.

Florida's rank increase of one spot since the 1998 Florida TaxWatch report is discouraging because there had been some improvement in the first part of this decade. Nevertheless, this improvement in Florida's share of grants was short-lived. In 2000, Florida was ranked 48th in per capita grants, which is the same ranking Florida received in 2009. Florida's rank improved since 2000, rising to an all-time high of 43rd in 2003 and 2005. Yet Florida ranked 46th in 2007 and 2008, and 47th in 2001, 2002, 2004, and 2006, revealing a pattern of inequitable grant funding.

In 2009, overall federal grant expenditures rose sharply, increasing by $83 billion over 2008 spending, much higher than the annual increases in other recent fiscal years. The last decade saw annual increases ranging from approximately $10 billion to $40 billion, except for 2005, which was the only year in the past decade where total grant expenditures decreased from the previous year. This sharp increase in 2009 was due to the American Recovery and Reinvestment Act of 2009 (ARRA), but the exact amount of grants attributable to the stimulus cannot be identified.[4]

Besides Florida, Nevada, and Virginia, the other two of the five bottom states in per capita grant receipts are Colorado ($1,260) and Georgia ($1,318). The top five states for per capita receipts are Alaska ($5,188), Wyoming ($4,068), New Mexico ($3,302), North Dakota ($2,793), and Vermont ($2,687). While the top five states have relatively smaller populations, population size does not necessarily have a negative correlation to federal grants per capita: New York ranked 23rd ($2,670.37) and California ranked 27th ($1,676.64)

The magnitude of Florida's failure to capture a proportional amount of federal grants is quite substantial. **If Florida received the national average in per capita grants for 2009, the Sunshine State would have received an additional $10.6 billion in federal grants.**

Table 1
Per Capita Federal Aid and Federal Tax Burden in 2009

	Total	Dept. of Education	HUD	Medicare & Medicaid Services	TANF	Dept. of Transportation Total	Tax Burden
Florida	$ 1,223.77	$ 118.76	$ 93.39	$ 583.78	$ 35.33	$ 109.96	$5,942.23
Rank	48	40	32	46	39	50	33
U.S. Avergae	$ 1,798.36	$ 147.12	$ 153.30	$ 834.26	$ 58.78	$ 185.82	$7,639.37

Sources: U.S. Internal Revenue Service, U.S. Census Bureau, and Florida TaxWatch analysis[5]

Florida is near the bottom in most grant program areas (see Table 1). In five of the largest grant categories, Florida's per capita rankings are: Department of Education – 40th; Housing and

[4] U.S. Census Bureau. *Federal Aid to States for Fiscal Year 2009.*
[5] Federal Grant Expenditures: http://www.census.gov/prod/2010pubs/fas-09.pdf
Population Estimate: http://www.census.gov/popest/states/NST-ann-est.html
Tax Collections: http://www.irs.gov/pub/irs-soi/09db05co.xls

Urban Development – 32nd; Center of Medicaid and Medicare Services – 46th; Temporary Assistance for Needy Families (TANF) – 39th; Transportation – 50th. Transportation grants represent the most glaring example of the inequitable distribution of grants. (The details of transportation grants are discussed in depth in the section titled *Why Does Florida Continue to Subsidize Other States.*)

Grants received relative to taxes paid. Florida is also not receiving a fair share of federal funds when grants are viewed as a return on federal taxes paid. **Florida ranks 33rd for per capital tax burden and 48th for per capita grant dollars received.** A comparison of the total amount paid versus total amount received is not particularly helpful because of the non-grant related expenses made by the Federal government for entities such as the Department of Defense and other programs. A comparison based on percentage of total federal taxes paid versus grants received reveals that Florida is a significant donor state. A grant "cost" can be calculated by comparing a state's ratio of total federal taxes paid to its ratio of grants received. By this measure, Florida spent $1.14 for every $1.00 of aid received in the form of grants. Thus, Florida is currently, and has been, providing funding for programs in other states.

Since the 1998 Florida TaxWatch analysis, the ratio of federal taxes to grants received has improved, falling from $1.46 per dollar of aid in 1997 to $1.14 per dollar of aid in 2009. However, there is still progress to be made before the ratio will be even or favorable for Florida.

Florida, along with 23 other states, paid a premium for aid in 2009. Florida ranked 38th, with the bottom five states being Delaware ($1.92), New Jersey ($1.80), Minnesota ($1.71), Connecticut ($1.56), and Virginia ($1.54).

Twenty-six states paid less than $1.00 for every dollar of aid they received. New Mexico got the best "bargain," paying $0.29 on the dollar for federal aid. Both Mississippi and Alaska also received significant subsidies, paying only $0.30 per dollar of aid. Coming fourth is West Virginia ($0.37), and Montana was fifth ($.038).

Nationally, taxpayers paid $2.3 trillion in taxes to the Washington D.C. in 2009, and $552 billion was returned to the states in the form of grants. Floridians paid about $110 billion in federal taxes, which represents about 4.7% of total federal taxes paid by the states. Nonetheless, Florida only received 4.1% of federal grants, or about $22.7 billion.

If Florida had received a share of federal grants equal to its share of federal taxes paid, Florida would have received $25.9 billion in grant money. That is about $3.2 billion more than it actually received.

NADO
NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

STRENGTHEN RURAL LOCAL OFFICIAL ROLES IN STATEWIDE TRANSPORTATION PLANNING AND PROGRAMMING PROCESSES

The National Association of Development Organizations (NADO) supports modifying the statewide transportation planning guidelines for state DOT consultation requirements with non-metropolitan local elected officials as part of the SAFETEA-LU federal highway and transit reauthorization process. Specifically, the association and its members encourage Congress and the administration to support the establishment and funding of Regional Transportation Planning Organizations (RTPOs). These entities would:

- **Provide a formal governance structure for state transportation officials to solicit, gather and coordinate the input and priorities of local elected and appointed officials,** along with other key transportation, economic development and community stakeholders, in areas outside the boundaries of Metropolitan Planning Organizations (MPOs). This is particularly important since most local governments have responsibility and ownership of various transportation assets—roadways, bridges, ports, airports, transit systems and intermodal facilities—that connect with state-owned transportation infrastructure.

- **Improve the integration of federal-aid eligible transportation investments** made by state transportation officials with regional and local economic development, housing, transportation, water and sewer infrastructure and workforce development investments and plans made by local officials.

- **Bolster public transparency, accountability and trust at the local level,** since local elected and appointed officials would have a clearly defined and more formal role in identifying, recommending and developing long-range transportation plans and short-term program needs of rural regions within the state.

Basics of Regional Transportation Planning Organizations (RTPO) Proposal:

1. **Strengthen the current requirement for state DOTs to partner with rural local elected and appointed government officials from "consultation" to "cooperation" as defined under federal law and rules.** In recognition of the diverse governance structures, population demographics and transportation ownership duties across the states, NADO supports affording state DOTs with the flexibility to establish RTPO models that meet state and local conditions and needs. However, the term *cooperation* has a specific meaning under federal law that will put non-metropolitan local officials on par with their counterparts served by MPOs in small metropolitan areas between 50,000 – 200,000 population.

2. **Provide federal recognition and definition for *Regional Transportation Planning Organizations.*** While the roles, functions and membership of MPOs are clearly defined under federal law and rules, the term *RTPO* is currently used informally and more loosely to reference an entity that provides a forum for local input on transportation issues in non-metropolitan areas. A federal definition and recognition of RTPOs will reinforce the valuable role these entities are increasingly playing in many states.

ADVOCACY, NETWORKING, RESEARCH AND TRAINING FOR THE NATION'S REGIONAL DEVELOPMENT ORGANIZATIONS
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NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
LEGISLATIVE ACTION ALERT: REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS

3. **Allow the U.S. Department of Transportation to review, comment and approve the non-metropolitan official consultation models being used by state DOTs.** As highlighted in the February 2007 statewide and metropolitan planning rulemaking by FHWA-FTA, rural local elected and appointed government officials shall be consulted and treated separately from the general public outreach process. However, U.S. DOT has been prohibited from reviewing and approving state processes for rural consultation since the 1998 TEA-21 law. Review and approval of the process will ensure a more sincere and effective level of collaboration between state and local officials. It would also allow the U.S. DOT to properly implement the original rules issued in 2003 as a result of a compromise negotiated among the American Association of State Highway and Transportation Officials (AASHTO), National Association of Counties (NACo) and NADO.

4. **Target federal highway, transit and safety planning resources to enable RTPOs and rural local officials to work regionally to build the planning, project development and institutional capacity needed to maintain and sustain a multi-modal, seamless transportation network.** Currently, state DOTs are required to spend up to 2 percent (nearly $700 million annually) of core federal highway program funds on statewide planning and research (SPR funds), while 382 MPOs collectively receive more than $400 million each year in federal highway and transit planning funding.

   In more than 25 states, state DOTs have voluntarily established contracts with regional planning and development organizations to serve as RTPO-type entities. The state DOT typically uses a mix of SPR and state funds to provide between $50,000 – $200,000 annually (plus a local match) for RTPOs to carry out a specific work program within their region. The NADO proposal generally amounts to only $1 million – $3 million for each state from SPR and other existing sources.

5. **Give each RTPO a formal structure and the responsibility for working with their state DOT to enhance the planning, implementation and results of statewide transportation plans and programs in non-metropolitan areas** of the state on a regional basis. RTPOs would be governed by a policy committee of local elected officials, along with representatives of state agencies, general public, and administrators and operators of various transportation modes and interests present in the region. In addition, each RTPO would form a technical committee to assist with specific tasks and programs, as well as select a fiscal and administrative agent, such as a regional planning and development organization, to provide professional management support and ensure public transparency and accountability.

6. **Establish an RTPO work plan to assist state and local officials with:**

   - Ensuring local elected and appointed officials are given a meaningful opportunity to provide input in the statewide planning process—***the gateway for accessing federal surface transportation aid***
   - Developing statewide and regional long-range, multi-modal transportation plans that are performance driven, locally accountable and publicly transparent
   - Identifying and recommending regional and local policy, plan and project priorities for consideration by the state
   - Improving the integration and sharing of local planning, land use and economic development plans with state transportation plans and investment programs
   - Providing technical assistance to local officials and other transportation stakeholders
   - Participating in national, multi-state and state policy and planning development processes to ensure regional and local input of non-metropolitan areas

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS
LEGISLATIVE ACTION ALERT: REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS

BACKGROUND

In the 111th Congress (2009-2010), Rep. Tim Walz (D-MN) and a group of 27 co-sponsors introduced legislation (H.R. 2782) to establish and give federal recognition to Regional Transportation Planning Organizations (RTPOs) for areas outside the boundaries of Metropolitan Planning Organizations (MPOs). Rep. John Duncan (R-TN) was the primary Republican sponsor. Companion legislation (S. 3743) was introduced in the Senate by Sens. Amy Klobuchar (D-MN) and Lamar Alexander (R-TN).

In the 112th Congress (2011-2012), Sens. Amy Klobuchar (D-MN) and Lamar Alexander (R-TN) introduced S. 625, on March 17, 2011, to incorporate regional transportation planning organizations into statewide transportation planning. In the House, Rep. Tim Walz (D-MN) will be re-introducing companion legislation once a Republican lead co-sponsor is secured. NADO is working with Rep. Duncan's staff to find a Republican lead for the bill. As Chairman of the House Transportation and Infrastructure Subcommittee on Highways and Transit, Rep. Duncan still supports the RTPO bill but will not serve as the official lead Republican sponsor this legislative session.

The goal is to incorporate language from the RTPO companion bills into the multi-year SAFETEA-LU reauthorization for federal surface transportation programs being developed by the House Committee on Transportation and Infrastructure, Senate Committee on Environment and Public Works (highway title) and the Senate Committee on Banking, Housing and Urban Affairs (transit title). *See attached list of committee rosters.*

Specifically, the RTPO bills would:

- Elevate the participation of rural local officials from "consultation" to "cooperation" in the statewide transportation planning process; these words have very specific meaning under the SAFETEA-LU law
- Establish a federal definition and basic work program for RTPOs
- Require state DOTs to designate and fund RTPOs to help address the transportation needs of non-metropolitan areas outside the boundaries of Metropolitan Planning Organizations (MPOs)
- Allow U.S. DOT to review and comment on state DOT processes for consultation with rural local officials

ACTION NEEDED

- **Urge your House members to co-sponsor the Walz bill to establish and recognize Regional Transportation Planning Organizations (RTPOs).** To co-sponsor the Walz RTPO bill, House members or their staff should contact Brian Kessler in Rep. Walz's office at 202.225.2472.

- **Urge your Senators to co-sponsor the Klobuchar-Alexander RTPO legislation (S. 625) in the Senate.** This is especially important for NADO members with Senators serving on the Senate Environment and Public Works Committee and the Senate Banking, Housing and Urban Affairs Committee. To co-sponsor, Senators or their staff should contact Travis Talvitie in Sen. Klobuchar's office at 202.224.3244 or Tom Craig in Sen. Alexander's office at 202.224.4944. A roster of the transportation oversight committees is attached.

For more information, contact NADO Associate Legislative Director Jennifer Walsh at 202.624.8467 or jwalsh@nado.org.

FLORIDA CHAMBER of Commerce

The Safe & Efficient Transportation Act

Creating Safer, Greener, More Efficient Truck Shipments

About SETA

The Safe and Efficient Transportation Act (SETA, formerly H.R. 1799) will give Florida a much-needed opportunity to raise interstate weight limits for trucks equipped with six axles instead of the typical five. The additional axle maintains braking and weight-per-tire specifications so trucks can safely ship more freight.

The purpose of SETA is to minimize the number of truck trips needed to ship each ton of freight so we can make our transportation network sefer and more productive, while reducing our dependency on foreign fossil fuels.

From an infrastructure spending standpoint, the U.S. will not be able to expand its road infrastructure network fast enough to keep pace with projected demand. SETA can help solve this dilemma – enabling our nation to better leverage the investments we make in our Federal Interstate System.

How SETA Benefits Companies & Manufacturers

- Helps protect and expand U.S. manufacturing jobs – keeping jobs in rural communities that depend on them.
- Reduces inefficiencies in constrained supply chains to benefit companies, employees and communities.
- Allows log producers to be more productive and keeps them employed.
- Makes domestic manufacturing facilities more globally competitive.
- Facilitates importation and exportation – giving an advantage to cargo coming to Miami and Jacksonville ports.

Florida & SETA – By the Numbers

- Florida companies and associations across a wide range of industries advocate for SETA. Supportive organizations include the Forestry Association, Coca-Cola, Smurfit Stone, Rayonier, Plum Creek, International Paper and many others.
- Rayonier could substantially reduce the number of annual truckloads it needs – eliminating about six million vehicle miles traveled and more than 1 million gallons of diesel fuel. SETA would also allow Rayonier to save more than $3 million per year.
- Plum Creek could annually save about 100,000 gallons of fuel in Florida, and more than 700,000 gallons of fuel from its operations nationwide.
- SETA will also provide logging companies with a much-needed larger return on investment for each gallon of diesel fuel -- which is expected to again exceed $4 per gallon.

How SETA Improves International Competitiveness

- Canada, many European nations, and other trading partners already have higher truck weights – putting U.S. exporters at a competitive disadvantage.
- SETA would allow Rayonier and other exporters to standardize shipping containers, reduce inefficiencies in our supply chain, and get a higher return for our shipping investments.

SETA: Improving Trucking Efficiency without Harming Rail

Rail is, and will remain, the first choice for shippers – who do not ship any freight by truck that can be shipped more efficiently by rail.

- A 2009 study by the Wisconsin DOT predicted no significant displacement of freight from rail to trucking as a result of allowing six-axle vehicles to operate on interstate highways.
- SETA will keep America competitive and protect jobs – without diverting freight from rail.

SUPPORTERS
Safe & Efficient Transportation Act, H.R. 763

Associations

Agricultural and Food Transporters Conference
AgHaul
Agriculture Ocean Transportation Coalition
Agriculture Transportation Coalition (AgTC)
Alabama Forestry Association
Alaska Forest Association
The Aluminum Association
American Bakers' Association
American Beverage Association
American Feed Industry Association
American Forest & Paper Association
American Forest Foundation
American Frozen Food Institute
American Iron & Steel Institute
American Soybean Association
American Trucking Associations
Appalachian Hardwood Manufacturers Association
Arizona Motor Transport Association
Arkansas Forestry Association
Arkansas Independent Producers & Royalty Owners Association
Arkansas Timber Producers Association
Beer Institute
Black Hills Forest Resource Association
Black Hills Women in Timber
California Forestry Association
California League of Food Processors
California Trucking Association
California Women in Timber
Citizens Against Government Waste
Colorado Potato Administrative Committee
Colorado Timber Industry Association
Dairy Marketing Services
Empire State Forest Products Association
Federated Women in Timber
Fertilizer Institute
Florida Cattlemen's Association
Florida Chamber of Commerce
Florida Forestry Association
Florida Pulp & Paper Association
Food Marketing Institute
Forest Resources Association
Fort Bragg Chapter Women in Timber
Fresh Produce Association of the Americas
Georgia Forestry Association
Great Lakes Timber Professionals Association
Grocery Manufacturers Association
Hardwood Federation
Idaho Grower Shippers Association
Idaho Trucking Association
Idaho Potato Commission
Institute of Scrap Recycling Industries
Intermountain Forest Association
International Dairy Foods Association
International Foodservice Distributors Association
International Refrigerated Transportation Association
Kentucky Forest Industries Association
Lake States Women in Timber
Louisiana Forestry Association
Maine Motor Transport Association
Maine Pulp and Paper Association
Manufacture Alabama
Maryland Forests Association
Metals Service Center Institute
Michigan Forest Products Council
Michigan Trucking Association
Midwest Shippers' Association
Minnesota Forest Industries
Minnesota Timber Producers
Mississippi Forestry Association
Mississippi Loggers Association
Missoula Area Economic Development Corporation
Missouri Forest Products Association
Mountain Loggers Cooperative Association
NASSTRAC
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Black Chamber of Commerce
National Cattlemen's Beef Association
National Chicken Council
National Confectioners Association
National Council of Farmer Cooperatives
National Grain & Feed Association
National Industrial Transportation League
National Lumber & Building Material Dealers Association
National Milk Producers Federation
National Potato Council
National Private Truck Council
National Retail Federation
National Taxpayers Union
Nebraska Motor Carriers Association
Nevada Motor Transport Association
New Mexico Forest Industry Association
New Mexico Motor Carriers Association
New York Logger Training, Inc.
North Carolina Association of Professional Loggers
North Carolina Forestry Association
North Dakota Motor Carriers Association
Northeast Dairy Farmers Cooperatives
Northeastern Loggers Association
Northwest Food Processors Association
Ohio Forestry Association
Ohio Manufacturers' Association
Ohio Trucking Association
Oregon Potato Commission
Oregon Women in Timber
Paper and Forest Industry Transportation Committee
Pennsylvania Forest Products Association
Pulp & Paperworkers' Resource Council
Shelf-Stable Food Processors Association
Snack Food Association
South Carolina Timber Producers Association
Southeastern Lumber Manufacturers Association
Southeastern Wood Producers Association
Southern Appalachian Multiple-Use Council
Southern Forest Products Association
Specialized Carriers & Rigging Association
Steel Manufacturers Association
Texas Forestry Association
United Fresh Produce Association
Virginia Forest Products Association
Virginia Forestry Association
Washington State Potato Commission
West Virginia Forestry Association
Western Growers Association
Wisconsin Manufacturers & Commerce
Wisconsin Paper Council
Wood Supply Research Institute
Wyoming Trucking Association

Businesses

A & M Transport, Inc.
AbitibiBowater
ADM Trucking
AgFirst Farm Credit Bank
Air Products
American Gypsum
Anheuser-Busch
Anthony Forest Products
Antonini Enterprises LLC
Archer Daniels Midland
Asteroid Aggregates Corporation
ATP AgriServices
Ball Brothers Produce

-Over-

Basic American Foods
Bear Trucking, Inc.
Berthiaume Logging
Bierbaum Timber & Contracting LLC
Bloomberg Logging Inc.
Blue Seal Feeds
BMC Forestry
Boise, Inc.
Boise Cascade
C. Stevens Trucking
Campbell Soup
CEMEX
Central Refrigerated Service
Chicago Consulting
CHS Inc.
Claremont Forest Inc.
Clearwater Paper
Clorox Company
Coca-Cola Company
Colgate-Palmolive
Columbia Forest Products
Combined Transport
Commercial Metals Company
Con-Way
CRST International
CWE, Inc.
Dairy Marketing Services, LLC
Dannon Company
Darigold
Dean Foods
Deere & Company
Delta Timber Company
DIAGEO
DHL Express
Domtar
East Manufacturing
Enviva Materials
Evergreen Packaging
Falcon Transport
Farm Credit of Central Florida
Farm Credit of North Florida
Farm Credit of Southwest Florida
Flambeau River Papers
Fleetmaster Express
Fleetwood Transportation Service, Inc.
Fleming Leasing
Floyd Wilcox & Sons, Inc.
FMC Corporation
Forest2Market
Fuel Transport US, Inc.
General Mills
Georgia-Pacific
Gerdau Ameristeel
Glatfelter
Gordon Trucking
GPOD of Idaho
Grammer Industries
Grant Forest Products
Green Bay Packaging
Growmark, Inc.
Guardian Industries
Harris Teeter
H-E-B
Hershey Company
Heidtman Steel
Home Depot
Houg Special Services, Inc.
Idaho Forest Group
Idahoan Foods
International Paper
James Burg Trucking
John T. Gallo
Johnson Timber
KapStone Paper & Packaging
Koch Companies Public Sector
Kraft Foods
Larsen Farms
Leprino Foods
Longview Fibre Paper and Packaging Inc
Louisiana-Pacific
Low Country Forest Products
LP Corp.
LyondellBasell Industries
MacSteel
Manuel Huerta Trucking, Inc.
Marmon Highway Technologies
Maverick Transportation
Maxum Petroleum
MeadWestvaco
Mennel Milling Company
Metzler Forest Products LLC
MillerCoors
Millis Transfer
Modern Transportation
Modular Transportation
National Frozen Foods Corp
Mizar Motors
Neiman Enterprises, Inc.
Nestlé Purina PetCare
Nestlé USA
Nestlé Waters North America
Newark Group
NewPage
Niagara Bottling LLC
Nucor-Yamato Steel
Oldcastle Architectural
Oregon Transfer Company
Owens-Corning
Palmetto Pulpwood and Timber
PGT Trucking
Philadelphia Reg. Port Authority
Piggyback Consolidators
Pittsburgh Logistics Systems
Plantation Specialist LLC
Plum Creek Timber Company
Ponderay Newsprint
Potandon Produce
Potlatch Forest Products
Praxair
Prentiss & Carlisle
Prestage Farms
Price Companies
R. J. Nathe & Sons
R.R. Donnelley & Sons Co.
Raven Transport Co.
Rayonier
Safe Handling Inc.
Safeway, Inc.
Sappi Fine Papers
S.C. Johnson
Schwan Food Company
Searles Valley Minerals Co
Simplot
Sisler Lumber Company
Smurfit-Stone Container Corporation
Sun Glo of Idaho, Inc.
Sunny D
SuperValu Inc.
System TWT Transportation
Tandem Transport
Taylor Produce, Inc.
Temple-Inland
The Techs
Thomas Logistics
TNT Road Company
Total Transportation Services
Transportation Mgmt Solutions
Tranzact Technologies
Tri-Modal Distribution Services
True Value
TTS, LLC
Tyson Foods
Unilever United States
United Aluminum Corporation
U.S. Foodservice/Alliant Logistics
U.S. Silica Company
US Xpress
UPM – Blandin
Verso Paper
Wada Farms
Wallace Transport
Werner Enterprises
West Central Cooperative
Weyerhaeuser Company

January 14, 2011

The Honorable John Mica
United States House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Mica:

As president and COO of Rayonier, I urge you to include the Safe and Efficient Transportation Act (SETA) in the upcoming Highway Reauthorization legislation. SETA (formerly H.R. 1799) will give Florida and other states a much-needed opportunity to raise interstate weight limits for trucks equipped with six axles instead of the typical five. The additional axle maintains braking and weight-per-tire specifications so trucks can safely ship more freight. SETA will also reduce inefficiencies in our constrained supply chain, better leverage limited infrastructure dollars, keep our log producers employed, and our domestic manufacturing facilities more globally competitive.

Rayonier is proud to call Florida home, where we've operated for more than seven decades. We own/lease approximately 420,000 acres of timberland in Northeast Florida – and have significant timberland and logging operations in the 7th Congressional District. Our wood procurement division annually transports 8.7 million tons of saw logs, pulpwood, chips, and biomass by truck on our nation's highways - roughly 342,000 truckloads. Under SETA, we estimate Rayonier could substantially reduce the number of annual truckloads we need – saving 5.8 million vehicle miles traveled, more than 1 million gallons of diesel fuel and more than $3 million per year. This will also provide logging companies with a much-needed larger return on investment for a gallon of diesel fuel that is expected to again exceed $4 per gallon before too long.

Rayonier is also one of our nation's largest exporters as measured by ocean container. Canada, many European nations, and other trading partners already have higher truck weights – putting Rayonier and other shippers at a competitive disadvantage. SETA would allow us to standardize shipping containers, reduce inefficiencies in our supply chain, and get a higher return for our shipping investment. From an infrastructure spending standpoint, we recognize that we will not be able to expand our road infrastructure network fast enough to keep pace with projected demand. SETA represents a portion of the solution to this dilemma, enabling our nation to better leverage the investments we make in our Federal Interstate System.

The Honorable John Mica
Page Two
January 14, 2011

The purpose of SETA is to minimize the number of truck trips needed to ship each ton of freight so we can make our transportation network safer, more environmentally friendly and productive. SETA is not anti-rail. Rail is, and will remain, the first choice for shippers. Like other companies, Rayonier does not ship freight by truck that can be shipped more efficiently by rail. Moreover, a 2009 study by the Wisconsin DOT predicted no significant displacement of freight from rail to trucking as a result of allowing six-axle vehicles to operate on interstate highways. SETA will keep America competitive and protect jobs – without affecting railroads.

Thanks to Florida's new higher state weight tolerance, SETA can also play a vital role in improving highway safety in our state. With the new ten percent tolerance on the 80,000-pound state weight limit in place, SETA gives Florida the critical opportunity to make sure shippers have access to interstates, which are safer and more efficient than state roads.

As chair of the Transportation and Infrastructure Committee, you can help improve highway safety and shipping efficiency while reducing our dependence on foreign fossil fuels and mobile source carbon emissions across the country. You can help protect and expand U.S. manufacturing jobs while better leveraging our limited infrastructure dollars. I encourage you to support the Safe and Efficient Transportation Act. If you have any questions, please don't hesitate to contact me.

Sincerely,

Paul Boynton

President & Chief Operating Officer
Rayonier

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Plum Creek

VIA FASCIMILE

Office of The Honorable John Mica: 202-226-0821
House Transportation and Infrastructure Committee: 202-226-1270

January 5, 2011

The Honorable John Mica
United States House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Mica,

On behalf of Plum Creek, Florida's largest private landowner, I urge you to support transportation legislation that would make our operations more efficient and environmentally sound. The Safe and Efficient Transportation Act (SETA) will permit Florida to set interstate weight limits of up to 97,000 pounds for trucks equipped with six axles instead of the typical five. SETA will allow Plum Creek contractors to more fully fill their rigs and ship our forest products using fewer trucks and less fuel.

Plum Creek is the largest private landowner in the country as well as the state of Florida, where we manage 590,000 acres of timberlands in 22 counties. Nationwide, Plum Creek owns approximately 7 million acres of timberlands in all major timber producing regions of the United States and operates wood products manufacturing facilities in the Northwest. Plum Creek owns nearly 100,000 acres in Florida's 7th Congressional District.

Under SETA, Plum Creek could safely reduce the number of truck loads that deliver our products – annually saving about 100,000 gallons of fuel in Florida and more than 700,000 gallons of fuel from our operations nationwide. Other companies in the 7th District are certain to experience the same benefits.

Not only will SETA help make Florida companies more productive and environmentally friendly; it will also improve highway safety. As you know, trucks weighing up to 88,000 pounds can already traverse non-interstate routes. The higher state weight limit helps minimize the number of trucks necessary to service our state's citizens, but now Florida has a critical opportunity to harmonize state and federal weight limits. Under SETA, we can make sure shippers have access to interstates, which are safer and better engineered for heavy traffic.

The Honorable John Mica
January 5, 2011
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For example, the state of Maine implemented a pilot project in 2010 that harmonized the state and federal weight limits. The Obama Administration, Maine DOT, local law enforcement and the motoring public all agree that the pilot project has made roads safer and more productive. Please give Florida and other states a chance to follow Maine's example.

I encourage you to include the Safe and Efficient Transportation Act in the Highway Reauthorization Bill. If you have any questions, I can be reached at 803-403-3037.

Sincerely,

Jon Rashleigh
Senior Resource Manager
Coastal Unit

LIFE-CYCLE BUDGETING

FISCAL TRANSPARENCY AND ACCOUNTABILITY IN INFRASTRUCTURE SPENDING

In this challenging economic climate, federal and state government budgets are mired in unprecedented budget shortfalls and running huge deficits. We cannot afford to continue the current approach to budgeting infrastructure projects which has derailed these critical investments. Currently, federal and state transportation officials focus on initial short-term project costs and fail to account for the actual, long-term life-cycle costs associated with infrastructure projects.

Failure to plan and account for the full costs of infrastructure projects creates a level of **budgetary uncertainty**, which only furthers the fiscal challenges facing state officials. **Short-sighted infrastructure budgeting is no longer acceptable**:

- In New Jersey, Governor Chris Christie canceled a highly publicized transit tunnel project because he discovered the **full costs of the project would exceed projections by as much as $5 billion**.

We need a comprehensive, data-driven approach to infrastructure spending that encourages savings and accounts for the total costs over the long-term. Three available policy tools include:

- **TRANSPARENT LIFE-CYCLE COST ANALYSIS (LCCA)** – Require transparency in all infrastructure investments by accounting for the direct and indirect costs incurred in initial construction, maintenance, and repair over a 50-year life-cycle window.
- **AASHTO'S MECHANISTIC EMPIRICAL PAVEMENT DESIGN GUIDE (MEPDG)** – Optimizes the efficiencies of structural engineering inputs based upon regional differences from the first stages of design, resulting in cost-savings and roads that last longer and require less maintenance.
  - In December 2010, Indiana DOT reported that use of **MEPDG on five completed projects resulted in total savings of over $3 million in initial costs alone**. INDOT expects that the **cost savings for rehabilitation projects using MEPDG could surpass $20 million for one construction season**. Based upon the INDOT data, the life-cycle savings of MEPDG for new construction and maintenance at the national level could be significant. *(Indiana DOT, 2010)*
- **ALTERNATE DESIGN/ALTERNATE BID (ADAB)** – Creates competition and ensures that the most cost-effective project designs are considered for final selection.
  - According to the Louisiana DOTD, **ADAB project bids came in roughly 9% below estimates**, while **all other project bids were roughly 20% above estimates**. *(Louisiana DOTD, 2007)*
  - The Missouri DOT reported that the **average pavement costs for alternate bid projects was between 14% - 17.4% lower** than non-alternate bid projects. *(Missouri DOT, 2007)*

Failure to plan and build long-lasting roads results in significant repair costs:

- According to the California Department of Transportation, routine repairs **cost roughly $20,000 per mile of road per year**. When roads break down, major reconstruction is needed, **costing up to $2 million per mile per year**. *(Sacramento Area Council of Governments)*

We need life-cycle budgeting for infrastructure investments that would:

- **Save taxpayer money** by reducing the cost to build and maintain infrastructure projects
- **Increase transparency** by showing the true project costs to taxpayers

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[DISCUSSION DRAFT]

112TH CONGRESS
1ST SESSION

H. R. ______

To amend title 23, United States Code, to direct the Secretary of Transportation to ensure that each State gives adequate consideration to the needs of evacuation routes when allocating funds apportioned or allocated to the State under that title for the construction of Federal-aid highways.

IN THE HOUSE OF REPRESENTATIVES

Mr. SOUTHERLAND introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend title 23, United States Code, to direct the Secretary of Transportation to ensure that each State gives adequate consideration to the needs of evacuation routes when allocating funds apportioned or allocated to the State under that title for the construction of Federal-aid highways.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EVACUATION ROUTES.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by adding at the end the following:

"§ 330. Evacuation routes

"The Secretary shall take necessary actions to ensure that each State gives adequate consideration to the needs of evacuation routes when allocating funds apportioned or allocated to the State under this title for the construction of Federal-aid highways.".

(b) CLERICAL AMENDMENT.—The analysis for such chapter is amended by adding at the end the following:

"330. Evacuation routes.".

Florida Trucking Association, Inc.

350 East College Avenue
Tallahassee, FL 32301-1565
Phone 850-222-9900 Fax 850-222-9363
Website: www.fltrucking.org

Mary Lou Rajchel, President & CEO

April 1, 2011

The Honorable Steve Southerland
U. S. Representative
1229 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Southerland:

We strongly support the PrePass program, which today is operating in Florida and 29 other states. We urge you to consider becoming a co-signatory on Representative Jean Schmidt's letter to Chairmen Mica and Duncan (attached) in support of that program and the tenets upon which it is founded.

PrePass is an electronic preclearance system that enables voluntarily-enrolled trucks to comply electronically with state safety, weight and credential requirements at more than 292 locations in 30 states. Of these, 26 locations are within Florida. Since Florida deployed PrePass in 2000, trucks have complied electronically with our state's safety, weight and credential requirements over 40.7 million times. As a result of this system in Florida alone, the motor carrier industry has saved over 16.3 million gallons of fuel, nearly 3.4 million hours of driver time, and nearly $264 million in operational savings. According to estimates based on data from the Environmental Protection Agency, PrePass reduced greenhouse gas emissions in Florida by over 36,000 metric tons.

By reducing congestion in and around weigh stations, PrePass reduces the potential for accidents. PrePass effectively increases the capacity of inspection facilities and has eliminated the need for state funds to build longer weigh station entrance ramps. Finally, by allowing carriers with histories of safe operation and current credentials to comply electronically, Florida enforcement officers are able to concentrate on those carriers most likely to be non-compliant.

We would hope that the letter from Representative Schmidt, and her co-signatories, would encourage the Transportation and Infrastructure Committee leadership to use this program as a model in the surface authorization legislation for other creative means to address our nation's transportation needs.

The PrePass system is operated by HELP Inc., a 501(c)(3) partnership with which the State of Florida has participated for more than a decade. I serve on its Board of Directors.

Thank you for your consideration.

Sincerely,

Mary Lou Rajchel

Mary Lou Rajchel, Esq.

Enclosure

Without Trucks, Florida Stops!

DON YOUNG
CONGRESSMAN FOR ALL ALASKA
WASHINGTON OFFICE
2314 RAYBURN BUILDING
TELEPHONE 202-225-5765

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON NATURAL RESOURCES
CHAIRMAN, SUBCOMMITTEE ON INDIAN AND ALASKA NATIVE AFFAIRS
COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE
REPUBLICAN POLICY COMMITTEE

April 4, 2011

The Honorable John Mica
Chairman
House Committee on Transportation and Infrastructure
2165 Rayburn HOB
Washington, DC 20515

The Honorable Nick Rahall
Ranking Member
House Committee on Transportation and Infrastructure
2163 Rayburn HOB
Washington, DC 20515

The Honorable John J. Duncan, Jr.
Chairman
House Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit
B-376 Rayburn HOB
Washington, DC 20515

The Honorable Peter DeFazio
Ranking Member
House Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit
2163 Rayburn HOB
Washington, DC 20515

Dear Chairman Mica, Chairman Duncan, Ranking Member Rahall and Ranking Member Defazio:

I respectfully request your assistance in securing funding for projects in my state in the reauthorization of the nation's surface transportation programs. The projects listed below are not a comprehensive final list of my priorities. These projects are unsolicited projects representing the needs not being adequately addressed through formula funds that we direct to the states.

Project Requests:

1. City of Fort Yukon
   - Roads: Repave and reconstruct roads. Dust abatement needed

2. City of Saxman
   - Preserve and renovate existing intermodal maritime infrastructure to support regional economic growth/development.
   - Pave Shared Community Facility Parking Areas: Ensure accessibility, safety, and environmental quality by paving parking areas shared by Totem Row Park, the Saxman Community Center, Edwin Dewitt Carving Center, Native Faces Arts Co-Op, Beaver Clanhouse, and Saxman Senior Housing Unit.

3. Native Village of Napaimute

- Asiipiaq Vally Access Road: build a two mile road to provide improved access to economic & subsistence resources

4. Matanuska Susitna Borough
   - Funding for Roads & Bridges: Roads and bridges in the borough have been rated as unsafe and in need of repair for safe transportation.
   - Ferry landing at Port MacKenzie: A landing and marine infrastructure is needed for the M/V Susitna at Port MacKenzie.
   - Port MacKenzie Rail Extension: A rail link from the Alaska mainline to the dock at Port MacKenzie to boost export of minerals and diversify the state economy.

5. City of Fairbanks
   - Rickert, Slaterville and Gateway Subdivision Streets: Provide drainage improvements including catch basins and storm drain laterals, grinding, re-profiling and re-grading of road section, new asphalt concrete pavement, concrete roll curbs and driveways

6. City of Whittier
   - Shotgun Cove Road: $4 million sought to help complete Phase I of project, and depending on funding from State DOT, to begin work on Phase II. The road is needed to provide access to Federal, state, municipal, and regional ANC lands in the Shotgun Cove area, connecting them to the Seward Hwy and the rest of the National Highway System.

7. City of Port Lions
   - City Dock and Ferry Terminal Replacement
   Replace existing Dock structure and approach for continued access to AK Marine Highway Service and Fuel/Freight Service

8. Bering Straits Native Corporation
   - Pilgrim Hot Springs Road Repair ($1,800,000.00). The Pilgrim Hot Springs access road is a 7 mile corridor that existed as a public easement and state (Alaska) maintained road until 2004. There are approximately 2 miles of the road that are in need of immediate repair in order that public access can continue for recreation, healing, and research. This funding would be used to design and repair approximately 2 miles of the road grade and secure the transfer of the easement to the public.

9. City of Wasilla
   - Main Street Couplet $10 million: Rebuild portions of Wasilla Main Street and Kink-Goose Bay Road, and portions of Talkeetna Street and Yenlo Street to create a one-way couplet across Parks Highway to relieve heavy traffic congestion in the heart of Wasilla.

- Wasilla Airport Access Road & Utilities $3.1 million: Construct 1-mile of new airport road to improve access to the Municipal Airport and to install water/sewer utilities along new road.

10. City of Kenai
    - Vehicle Storage Facility for Kenai Senior Center Vehicles: The Kenai Senior Center provides approximately 50,000 home delivered meals annually to Seniors. It also provides transportation services to Seniors. This project will provide heated storage for the meal delivery and transportation vehicles used to provide these services. Inside heated storage will eliminate "warming up" time and reduce maintenance costs. The project would construct a six-bay storage building at a cost of approximately $400,000.

11. City of Seward
    - Road Improvements: To repave deteriorated roads in downtown Seward

12. City of Kotzebue
    - Cape Blossom Road and Port: Project entails completion of a 10-mile access road from Kotzebue to Cape Blossom, located south of the Community. Road will allow future development of a Deep Water Port at Cape Blossom. This will greatly reduce freight costs for the entir region an promote a higter standard of living and economic growth for the entire regionProject entails completion of a 10-mile access road from Kotzebue to Cape Blossom, located south of the Community. Road will allow future development of a Deep Water Port at Cape Blossom Kotzebue is most expensive place to live in Alaska: McDowell Group -- 2009, a State report. A major factor of high cost of living is the transportation basics of life. A deep water port at Cape Blossom would reduce high cost and aid in economic development. The high cost-of- living is a hindrance to economic growth and jobs.
    - Dust Abatement and Paving Project: Project will fund Kotzebue's continued Dust Abatement program by adding more asphalt pavement to its gravel dirt roads. This project will pave 2500 feet of lineal feet of dirt road in town center and greatly relieve respiratory problems for the city's population.

13. Northwest Arctic Borough
    - Village Surface Transportation: Road planning project to connect Kotzebue, Kiana, Noorvik, and Selawik in Northwest Arctic Borough. Surface transportation would dramatically lower the cost of living for these communities and ensure their viability in the 21st century, as well as help provide access to minerals and other resources of national importance. The proposed road would lower regional transportation and energy costs, provide better public safety and health care access, and enhance tourism and other economic opportunities. Funds would be used to hire a transportation planner $90,000 and support other staff, pay for travel and logistics $100,000, conduct field work $100,000, and start road planning & design $210,000. (Total Request $500,000)

Any assistance you can provide for these projectss will be greatly appreciated by my constituents and me. Should you have any questions please contact Scott Leathard on my staff at 225-5765 or scott.leathard@mail.house.gov.

Sincerely,

DON YOUNG
Congressman for all Alaska

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