

**MAP-21 REAUTHORIZATION: STATE AND LOCAL
PERSPECTIVES ON TRANSPORTATION PRIORITIES
AND FUNDING**

HEARING
BEFORE THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION

MARCH 27, 2014

Printed for the use of the Committee on Environment and Public Works



Available via the World Wide Web: <http://www.gpo.gov/fdsys>

U.S. GOVERNMENT PUBLISHING OFFICE

97-798 PDF

WASHINGTON : 2016

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION

BARBARA BOXER, California, *Chairman*

THOMAS R. CARPER, Delaware	DAVID VITTER, Louisiana
BENJAMIN L. CARDIN, Maryland	JAMES M. INHOFE, Oklahoma
BERNARD SANDERS, Vermont	JOHN BARRASSO, Wyoming
SHELDON WHITEHOUSE, Rhode Island	JEFF SESSIONS, Alabama
TOM UDALL, New Mexico	MIKE CRAPO, Idaho
JEFF MERKLEY, Oregon	ROGER WICKER, Mississippi
KIRSTEN GILLIBRAND, New York	JOHN BOOZMAN, Arkansas
CORY A. BOOKER, New Jersey	DEB FISCHER, Nebraska
EDWARD J. MARKEY, Massachusetts	

BETTINA POIRIER, *Majority Staff Director*
ZAK BAIG, *Republican Staff Director*

C O N T E N T S

Page

MARCH 27, 2014

OPENING STATEMENTS

Boxer, Hon. Barbara, U.S. Senator from the State of California	1
Vitter, Hon. David, U.S. Senator from the State of Louisiana	2
Sanders, Hon. Bernard, U.S. Senator from the State of Vermont	4
Fischer, Hon. Deb, U.S. Senator from the State of Nebraska	5
Markey, Hon. Edward J., U.S. Senator from the State of Massachusetts	5
Booker, Hon. Cory A., U.S. Senator from the State of New Jersey	6
Cardin, Hon. Benjamin L., U.S. Senator from the State of Maryland	8
Carper, Hon. Thomas R., U.S. Senator from the State of Delaware	10
Barrasso, Hon. John, U.S. Senator from the State of Wyoming	12
Gillibrand, Hon. Kirsten, U.S. Senator from the State of New York	13
Crapo, Hon. Mike, U.S. Senator from the State of Idaho	14
Inhofe, Hon. James M., U.S. Senator from the State of Oklahoma, prepared statement	30

WITNESSES

Lewis, Hon. Michael P., Director, Rhode Island Department of Transpor- tation	15
Prepared statement	18
Responses to additional questions from:	
Senator Boxer.....	24, 28
Senator Wicker	26
Minter, Sue, Deputy Secretary, Vermont Agency of Transportation	31
Prepared statement	33
Responses to additional questions from:	
Senator Boxer	38
Senator Wicker	40
Ballard, Hon. Gregory A., Mayor, City of Indianapolis, Indiana	42
Prepared statement	44
Responses to additional questions from:	
Senator Boxer	59
Senator Wicker	61
Cornett, Hon. Mick, Mayor, Oklahoma City, Oklahoma	63
Prepared statement	66
Responses to additional questions from:	
Senator Boxer	70
Senator Wicker	71
Fontenot, Bill, President, St. Landry Parish, Louisiana	73
Prepared statement	75
Wilcox, Jim, Chairman, Converse County Commission, Wyoming	78
Prepared statement	80
Responses to additional questions from:	
Senator Boxer	84
Senator Wicker	85
Gula, Dave, Principal Planner, Wilmington Area Planning Council	86
Prepared statement	89
Responses to additional questions from:	
Senator Boxer	91
Senator Wicker	92

IV

Page

ADDITIONAL MATERIAL

Testimony of Stephanie A. Miner, Mayor of Syracuse, New York	111
--	-----

MAP-21 REAUTHORIZATION: STATE AND LOCAL PERSPECTIVES ON TRANSPOR- TATION PRIORITIES AND FUNDING

THURSDAY, MARCH 27, 2014

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 9:45 a.m. in room 406, Dirksen Senate Office Building, Hon. Barbara Boxer (chairman of the committee) presiding.

Present: Senators Boxer, Vitter, Carper, Cardin, Sanders, Gillibrand, Booker, Inhofe, Barrasso, Sessions, Crapo, Markey, Wicker, and Fischer.

OPENING STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator BOXER. Good morning. We will come to order. Today's hearing will provide the EPW committee the opportunity to hear from State and local officials and transportation stakeholders about the importance of Federal transportation funding and their priorities for the reauthorization of MAP-21.

Today's panel truly represents a great cross-section of the country. As transportation leaders at the State and local level, they know what is at stake without sustainable funding and a sound Highway Trust Fund. I was a former county supervisor in another lifetime, and I know how tough that job is and how important maintaining safe and efficient transportation systems are to local communities. When something goes wrong, people show up at your door. And I know that from personal experience.

According to the U.S. Department of Transportation's recently released 2013 conditions and performance report, about 49 percent of highway miles traveled are on roads that are in less than good condition and 18 percent are on roads in less than acceptable condition. In addition, over 21 percent of the Nation's bridges are structurally deficient or functionally obsolete. Of these, over 70,000 bridges are structurally deficient.

These stats show that there is a lot of work to be done to maintain our global competitiveness. We must continue to invest in our transportation infrastructure, not just for now, but for future generations.

However, in order to make needed investments in our infrastructure, Congress must ensure the long-term solvency of the Highway

Trust Fund. Make no mistake, I think we all know we are running out of time.

Last month this committee held a hearing on what the devastating impacts would be of letting the trust fund run out of funding. Here are the sobering facts. CBO and USDOT estimate that the Highway Trust Fund could run out of funds as early as September 2014, which would create cash-flow problems for States during the critical summer construction season. Already, States are cutting back on the construction projects they had planned to go forward with this spring, and this trend will only continue to get worse as we get closer to insolvency.

MAP-21 was a bipartisan bill that included transformational reforms to improve flexibility, reduce costs and require accountability for our surface transportation programs. These reforms, many of which are still in the rulemaking process, will enhance Federal transportation programs and help to build public trust in seeing how our tax dollars are spent. We will continue to track the implementation of these reforms as the DOT makes them, and we welcome the opportunity to hear from States, counties, parishes, cities on how these reforms are working and what tweaks and improvements should be considered for our next bill.

My goal, and I know that Senator Vitter shares this goal, is to move swiftly this spring to pass a long-term reauthorization bill in the EPW Committee that provides, we hope, 6 years of funding certainty. I have begun discussions with Chairman Wyden and Ranking Member Hatch on funding this bill and addressing the shortfall in the Highway Trust Fund. This committee has the responsibility to reauthorize MAP-21. The Finance Committee has the responsibility to fund it. We are not going to let them just hang out there by themselves, we are going to work with them, and we are going to work closely with them and other Senate committees of jurisdiction, such as Commerce and Banking, to pass the legislation with the same bipartisan support we experienced with MAP-21.

So we are going to mark this bill up at the end of April. We must move it forward. I know that members on this committee, on both sides, including Senator Carper and Senator Barrasso, working with Senator Vitter and I, we are all committed to this. I hope what you will do today is speak from the heart about what it means to you, if in fact it is as important to you as I think it is, I hope you will tell us it is important. If you don't think it is important, if you think that the Federal Government could walk away from this, tell us that. We need to know from you.

So this is a very important day for me, because again, I have so much respect for the folks on the ground who implement what we do here. With that, I will turn to my ranking member, Senator Vitter.

**OPENING STATEMENT OF HON. DAVID VITTER,
U.S. SENATOR FROM THE STATE OF LOUISIANA**

Senator VITTER. Thank you, Madam Chair, for holding today's hearing. This is really important to get the local and State perspective on our transportation infrastructure. That is critical for us to gain understanding and do our work properly. And thanks to all of our witnesses today who traveled a long way to be here. You

have shown how important surface transportation infrastructure is to all of your communities. Collectively, you bring a diverse set of perspectives, but a common goal of developing a first-class, comprehensive transportation network. I really look forward to hearing your views.

I especially want to thank Bill Fontenot for making the trip from Louisiana. Mr. Fontenot brings two unique and very relevant perspectives. Right now, he is president of St. Landry Parish. Parish is our work for county in Louisiana. And I was very impressed when the Chair used the word parish in listing local jurisdictions. I think we are making leaps and bounds of advancement in this committee.

[Laughter.]

Senator VITTER. And I want to assure everyone, we are not sending transportation money to local Catholic churches. I would probably be in favor of that, but that is not what we are talking about.

[Laughter.]

Senator VITTER. We are talking about counties in Louisiana called parishes.

But prior to being elected parish president in 2011, Mr. Fontenot worked as an engineer at the Louisiana Department of Transportation and Development for 38 years in the Highway Department, 18 of which he served as one of nine regional district administrators.

Our surface transportation infrastructure consists of a lot of different categories or types of roads. But together they create a network. In order to have a healthy and efficient network, all of those pieces need to remain strong. This means first investing in the critical rural roads and bridges that we rely on to get so many of our kids to school and to go to work, particularly in ag and energy markets. This means investing in the interstate system to improve lanes of commerce between States. And it means investing in the vital corridors that link the two. Such a network is a fundamental component of our Nation's economy and essential to our quality of life.

However, we can't work toward that cohesive network if we don't have a reliable Highway Trust Fund and prioritize proper investment in streamlined, flexible programs. Recent actions represent a departure from the intent of the Highway Trust Fund and of prolonged economic uncertainty, not only in the direct investment of our infrastructure but also the type of long-term investment that drives economic development at home and makes us more competitive abroad.

If we are going to be successful at putting such a structure back on a sustainable course, of course we need to fix the financing piece. But to fix the financing piece, I think it is crucial that we also get the policy right and restore trust back in the highway trust fund. That means the trust fund needs to be sustainable and transparent. We need to be able to show where taxpayer dollars are going, where future investment will go. We must continue to reduce costs and burdens and red tape that is unnecessary.

Flexible and accessible apportionment programs will also work to restore trust in the trust fund. While other investment tools can play an important role, only such an apportionment program has

the ability to improve our infrastructure across the board, provide a steady revenue stream to mitigate uncertainty, provide a base for innovative financing structures, empower local and State decision-making, and keep the Federal Government out of the business of picking winners and losers.

So we must resist the urge to move back toward small, rigid programs that are silos that don't offer that flexibility toward a comprehensive vision that offers flexibility and real local and State empowerment to meet our needs.

Again, I want to thank the Chair and the witnesses for all of their hard work. I am genuinely looking forward to your ideas and perspectives.

Senator BOXER. Thank you, Senator.

Senator Sanders.

**OPENING STATEMENT OF HON. BERNARD SANDERS,
U.S. SENATOR FROM THE STATE OF VERMONT**

Senator SANDERS. Thank you very much, Madam Chair.

This is an enormously important hearing. Because it is vitally important that we hear from folk around the country who are struggling with one of the great challenges that we have, and that is a crumbling infrastructure.

I am especially delighted, Madam Chair, that you invited Sue Minter, the Deputy Secretary of the Vermont Agency of Transportation, to be here with us. Sue played an especially important role when the State of Vermont was hit by tropical storm Irene. Many of our towns were devastated. She was the recovery officer as we attempted to rebuild those towns, and she did a great job doing that.

I think the bottom line here is, and I don't know that there is much agreement or appeal among our representatives who come from all over the country, and we are very appreciative that you are here, that as a Nation we are all aware that something is very fundamentally wrong. That in Vermont, and I suspect in our States as well, your bridges are crumbling, your roads are in need of repair. In many parts of this country, unemployment is much too high. And we are sitting here in a situation where the rest of the world is spending significantly more money on rebuilding their infrastructure than we are.

I will tell the story, Madam Chair, somebody who worked for me went to China a couple of years ago. And they left China from a brand new airport. When they were in China, they were traveling on high speed rail. They came back to the United States, they flew into an overcrowded, inadequate airport. And he asked himself which was the developing country, which was the first world country, which was a third world country. I think we see that more and more.

So the bottom line to me is that we lose efficiency, we lose productivity. God knows how much money is being spent by individuals whose cars go over potholes and axles break and so forth and so on. People waiting in traffic jams rather than getting to work.

So we have a crisis. We have waited too long to address it. I was mayor of the largest city in Vermont for 8 years, and I can tell you that it takes money to rebuild the infrastructure. Maybe somebody

can do it without money, and that would be a great idea, we would love to hear that suggestion. My understanding, it is a pretty expensive proposition. But we have to invest in that infrastructure. We have to figure out a way to fund it in a fair and progressive way. I look forward with you, Madam Chair, to do just that.

So thank you very much.

Senator BOXER. Thank you. Senator Fischer.

**OPENING STATEMENT OF HON. DEB FISCHER,
U.S. SENATOR FROM THE STATE OF NEBRASKA**

Senator FISCHER. Thank you, Madam Chair. And thanks to the ranking member as well. I appreciate you folk coming from your various States to help us and provide us with information on the many needs that we face all across this country.

As our committee works to reauthorize the highway bill, I have been especially focused on the needs of Nebraska's Department of Roads and that of our cities and counties. These are the folks who are actually putting our Federal dollars to work back home. The overwhelming message that I have heard from these important stakeholders is that the Federal process required for building roads is overly burdensome, and it needs to be more flexible.

We have worked hard in Nebraska to prioritize spending for our infrastructure needs. As we have started to put this funding to use, we have further seen the need to provide our State and our local governments with as much assistance and autonomy as possible. States will have greater ability to experiment and address transportation problems with innovative solutions if they are allowed greater flexibility in the use of those Federal dollars.

Transportation infrastructure is an expensive venture on its own without the Federal Government adding to the cost. If we cannot give our local and State governments an adequate level of funding, we should at the very least get out of their way so that projects can be completed in an efficient and a cost-effective manner. We need to work together to pursue a path forward that continues to ensure the use of Federal dollars are devoted to tasks that truly add value to the projects and are not wasted on piling up paperwork.

I hope this highway bill will include the needed policy reforms to streamline environmental processes and accelerate project delivery. Today's hearing is an important step in understanding flexibility needed for local and State governments. And I look forward to working with this committee in achieving those needed solutions.

Thank you, Madam Chair.

Senator BOXER. Thanks so much, Senator.

We now go to Senator Markey.

**OPENING STATEMENT OF HON. EDWARD J. MARKEY,
U.S. SENATOR FROM THE STATE OF MASSACHUSETTS**

Senator MARKEY. Thank you, Madam Chair.

The United States has long been the world's leader in ingenuity and engineering, building America's infrastructure into the best in the world. But age has caught up with us. Many of our roads, our bridges, transit and rail are in great need of repair and replace-

ment. And the impacts of extreme weather and climate change put aging infrastructure at further risk.

More than half of Massachusetts' 5,000 bridges are structurally deficient or functionally obsolete. This is an urgent problem that we must address in the next transportation bill. The surface transportation bill we passed in 2012, MAP-21, included \$1.2 billion in Federal highway funds for Massachusetts to modernize our highways and bridges. Under the law, the Commonwealth will also receive almost \$700 million in transit funding. And that is a good start, but it is not enough to deal with the magnitude of the problem. A strong, multi-year bill would provide the funding and the certainty that our State and local governments need to get our roads and our transit systems back in excellent condition.

Our priorities beyond traditional road repair and improvement funds in Massachusetts include one, improve our aging stock of bridges and build upon the success of the accelerated bridge program in Massachusetts that recently fixed over 100 bridges on time and on budget. Two, invest in transit and promote key projects including the Green Line extension. Three, provide funding for Streetscape and other important parts of the transportation alternatives program that helps revitalize downtowns and attract business to city centers. And four, encourage commuter rail by building on the recent success of increasing the number of trains serving Worcester, and finally, making the South Coast rail project a reality to bring passenger rail transportation to the south shore.

Making investments in our infrastructure is essential to our economy. It puts construction workers on the clock in good-paying jobs. It creates the infrastructure necessary to efficiently move goods and people around our ever changing and expanding economy. I know that when we rebuild our infrastructure we rebuild our economy. So as we quickly approach MAP-21's expiration this fall, we must always keep in mind that the most effective way we can create jobs and improve our infrastructure is to pass a robust, long-term surface transportation bill.

Thank you, Madam Chair.

Senator BOXER. Senator, thank you.

Senator Booker, followed by Senator Cardin, unless we have a Republican in between. Senator Booker.

**OPENING STATEMENT OF HON. CORY A. BOOKER,
U.S. SENATOR FROM THE STATE OF NEW JERSEY**

Senator BOOKER. Thank you so much, Chairman Boxer and Ranking Member Vitter. I do know what a parish is, sir, because my granddaddy is from Louisiana.

[Laughter.]

Senator BOOKER. I am very happy to be here now to talk to all the folks here and hear your very important testimony on what is a critically urgent issue in the United States of America. Our infrastructure is simply crumbling all around the country.

As New Jersey is the most densely populated State in the country, New Jersey has also among the most heavily trafficked roads and extensive public transportation systems. We are a critical transportation superstructure in New Jersey.

Unfortunately, New Jersey is home to 624 structurally deficient bridges as of 2013, meaning that the bridges are in deteriorated condition and urgently need to be repaired. It is unacceptable and the threat to safety of New Jersey families is unacceptable.

Across the United States, a staggering 65,000 bridges are classified as structurally deficient, that is 65,000 bridges in our country that are structurally deficient, posing safety threats to our communities across the country. Another 1,700 New Jersey bridges do not meet current standards with regard to lane size, sufficient shoulder lanes, and are described by the Department of Transportation as functionally obsolete. An astounding 66 percent of New Jersey's major roads are in poor or mediocre condition.

This costs New Jerseyans over \$3 billion a year in extra vehicle repairs and operating costs, meaning that New Jerseyans pay out of pocket because of all these deficiencies about an extra \$601 per motorist. And New Jersey is not alone. States all across our country are struggling with similar transportation infrastructure issues. This enormous challenge demands that we as a Nation invest more in our transportation infrastructure. It is a multiplier in terms of the opportunity it creates for our country. Not only will a major investment improve safety and help businesses, but it will also create jobs and strengthen our entire economy.

According to a report by Facing our Future, a group of former New Jersey government executives, New Jersey needs at minimum \$21.3 billion to invest in short-term transportation infrastructure needs through 2018. The American Society of Civil Engineers estimates that to fix our bridges the United States alone needs an additional \$8 billion annually to keep us at the cutting edge, where we need to be to protect safety and security and promote business growth.

While these investments secure roads and bridges, every dollar is vital because of also that multiplier effect of job creation. As we improve our infrastructure, businesses can move goods quicker and cheaper. Businesses can export more and reach more customers overseas. This is a critical economic competitiveness issue. And all of this also attracts investment further into our country. Investment in infrastructure creates investment in America.

In a rapidly changing and urbanizing 21st century America, we must prioritize innovative, cost effective, sustainable transportation options. MAP-21 provided funding, not just for transportation projects, but also, it is important to note, for certain projects that reduce transportation-related air pollution. This to me is critical. In my home city of Newark, where I was mayor, we have seen congestion and heavy air pollution negatively impact vulnerable communities. For instance, the port of Newark, one of our country's most busy ports, provides a major national economic benefit. But the communities surrounding the area are disproportionately impacted by the air pollution caused by the concentration of heavy truck traffic, cargo vessels and cargo handling equipment. High asthma rates and other health problems afflict the surrounding communities.

The Congestion Mitigation and Air Quality program provides States with the funding to address this problem but it does not go far enough. We need to invest substantially more resources in ret-

rofitting trucks and locomotives, investing in the new use of newer, more environmentally friendly vehicles and relying more on the movement of freight by rail and making those rail investments. From the safety of our motorists to the air that our children breathe to the strength of our economy, transportation has a strong impact on the lives of all Americans. It is essential for our country to continue to be a global leader.

It is absolutely critical that Congress pass a comprehensive transportation bill, and I look forward to working with all my colleagues on this committee and look forward to the testimony here, especially because the closest we get to Jersey, sir, is Delaware, which is about a third New Jersey residents anyway. So it is good to have you, here.

Senator BOXER. Thank you, Senator. We will turn to Senator Cardin.

**OPENING STATEMENT OF HON. BENJAMIN L. CARDIN,
U.S. SENATOR FROM THE STATE OF MARYLAND**

Senator CARDIN. Madam Chair, thank you very much for having this hearing. And to Senator Boxer and Senator Vitter, thank you for the manner in which you conduct this committee on the infrastructure advancements. MAP-21 was passed because of your extraordinary leadership, not only getting it through the United States Senate, but negotiating with the House that we could maintain the integrity of the legislation. So we are very proud of our leadership of this committee.

I particularly want to thank you for today's panel, because I look forward to the record being established by our local officials as to the importance of local input in determining priorities for transportation in our Nation. To me this is extremely important.

I take great pride in the transportation alternative program which is included in MAP-21. Working with Senator Cochran, we were able to get that program integrity maintained. Now, Madam Chair, I want to tell you, it is a little over 1 percent of the total funds. It took a lot more than 1 percent of the total debate on that bill. I appreciate your commitment to that issue, and I hope that we will not rehash some of the arguments in the past, but look forward to how we can build upon that program to make it even more effective as we move forward.

Of course, it comes from the transportation enhancement, and the previous generations of our surface transportation. But I think the transportation alternative program is working well. And I thank you very much for our help.

Mayor Ballard, I particularly appreciate your being here from Indianapolis. It is not in Maryland, although we still haven't quite forgiven you on the Baltimore Colts, but we are working on that. I very much appreciate your use of the transportation alternative program to really get livable space in Indianapolis. The way that you have used that to help deal with the historic trail, the greenway space, to me this is exactly what we intended when this legislation was passed, and I thank you for being here to tell your story and tell the story of cities all over this country, whether they are small cities or large cities.

And Mayor Cornett in Oklahoma City, you used this money for transit and for other alternatives. It is good to see that the local input is being done in the way we anticipated it being done. This is a partnership between the Federal and State government.

And these transportation alternative programs, to me, are critically important. In my city of Baltimore, I was able to get Federal funds, through the Surface Transportation Reauthorization to complete the Gwynns Falls Trail. Now, for those who are familiar with Baltimore, Baltimore was designed by Olmstead. He designed Baltimore to be communities connected by greenspace, by greenways. But as we became more and more urban, as time went forward, that greenspace was built over. The Gwynns Falls watershed was one of those trails that had been built over. We have reclaimed the Gwynns Falls and now 30 communities are connected where people can bike and walk and get to know each other.

These are communities that were in many cases trapped because of the economics of the circumstances. Now, people are being liberated. And yes, they do use bikes, they do walk, it is healthier, it is helping our environment. It is what we intended to do with the comprehensive transportation bill. It is working.

So Madam Chair, I very much appreciate this hearing, because I think it will complete a record as to why we need to have a balanced surface transportation program. I strongly support the improvements to our bridges, our roads, our transit systems. They are all critically important to America's economy. But our cities are equally important. And giving them the ability to determine their local priorities is what this partnership should be all about. I am very proud that we were able to accomplish that on MAP-21, and I look forward to continuing that commitment as we reauthorize the program.

[The prepared statement of Senator Cardin follows:]

STATEMENT OF HON. BENJAMIN L. CARDIN,
U.S. SENATOR FROM THE STATE OF MARYLAND

Good morning Madam Chairman, Ranking Member Vitter, members of the committee and our panel of witnesses. Thank you for holding today's hearing to give the committee the opportunity to hear local perspectives on how well our Federal surface transportation programs are working for them.

It's only been a couple years since MAP-21 was enacted. Much of the policy reforms put in place by MAP-21 have yet to be fully realized and, while still others are being implemented.

One program that I am very proud to hear that is working well for many communities across the country are the reforms we made in the Transportation Alternatives Program—formally known as Transportation Enhancements.

I am very much looking forward to hearing from Mayor Greg Ballard. His efforts to reinvigorate Indianapolis through investments in Greenways, the development of the Indianapolis Cultural Trail and other alternative modes of transportation are transforming Indianapolis. He has a great understanding of what businesses of tomorrow's economy, as well as the young high skilled workforce that power these new companies, are looking for in the towns they cities they are locating to.

Transportation design that is multi-modal and is focused on community livability is essential to ensuring the global competitiveness of American business. Exciting things that are happening around Indianapolis and across this country with locally focused transportation alternatives projects in the city are improving the livability and the economy.

I also understand that Oklahoma City Mayor Mick Cornett has made investments in transit and transportation alternatives priorities for improving transportation in his city as well.

In 2011 when this committee began in earnest its work on MAP-21, one of the greatest debates in the bill was over a program that consisted of roughly 1.5 percent of the total funds of our Federal surface transportation program.

I, along with many of my colleagues on this committee, and with tremendous leadership from my friend Senator Cochran of Mississippi, we stuck up for this little program. Our familiarity with the TE program, now called Transportation Alternative Program or TAP, came from hearing success stories about specific TAP projects in communities around our States.

The Program is very personal for me and it goes back to my House days. Through the TE program I was able to help build Gwynns Falls Trail in Baltimore. Gwynns Falls is a 15-mile trail that runs from the inner suburbs of southwest Baltimore to heart of downtown Baltimore right passed Camden Yards and Ravens stadium and the inner harbor.

The trail is a continuous recreational corridor and viable commuter route connecting more than 30 neighborhoods with parklands, unique urban environmental features, cultural resources and historic landmarks.

The trail has fostered a greater sense of community pride among the neighborhoods connecting to the trail. I have received thanks from local businesses big and small for the development of this trail because it has had positive impact on economic growth in the city.

Getting more people walking and biking provides the benefits of reduced traffic congestion, improved air quality, and contributes to a healthier lifestyle.

My experience in helping build the Gwynns Falls Trail is something that I imagine Mayor Ballard can relate to having built the Indianapolis Cultural Trail in his city.

Gwynns Falls and many other projects like it in Maryland are providing measurable economic, environmental, public health and safety benefits at the local level. It is the local benefits that TAP projects provide that motivated me to champion this program.

A critical component of the effort that Senator Cochran and I led was to initiate a process, run at the State level, to ensure that local transportation authorities and MPOs (Metropolitan Planning Organizations) have guaranteed access to TAP funds. The anecdotal information I've been receiving from the NGOs tracking how TAP dollars are being spent is that counties and cities across the country are taking full advantage of this program and are able to pursue important local transportation projects that improve community livability and local economies, as well as improve the climate for small business growth and smart residential development.

Most importantly, these decisions have been driven by local planners and local leaders who often know far better what the transportation needs of their community are than their State DOTs.

I have some improvements that I would like to make to this program to ensure that it works even better for local communities:

- Initiate a reporting requirement on the demand and projects implemented through the program.
- Improve the specific suballocation dedicated to local and MPO decisionmakers.
- Clarify the review process for TAP projects; and
- Ensure communities can adequately plan and budget for future TAP projects; among others.

Local communities around the country both big and small receive extraordinary public benefit from TAP projects.

I look forward to hearing from our witnesses.

Senator BOXER. Thank you, Senator.

Now we are going to hear from the chairman of the subcommittee that deals with this issue, a new member of the Big Four. We are very excited that he and Senator Barrasso are such a strong team. We are happy to call on Senator Carper.

**OPENING STATEMENT OF HON. THOMAS R. CARPER,
U.S. SENATOR FROM THE STATE OF DELAWARE**

Senator CARPER. Thanks, Madam Chair.

When I was elected to the U.S. Senate, 14 years ago, people said to me, what do you want to accomplish? I said, I would like to be one of the Big Four. And I come from Ohio State, which is one of the Big Ten.

[Laughter.]

Senator BOXER. Better than being one of the Final Four.

Senator CARPER. Maybe so. Maybe so.

I am happy to see all of you. Madam Chair and Senator Vitter, thank you for pulling this group together. This is a good group and I look forward to hearing from all of you. I will be fairly brief.

I was pleased to play at least a modest role in helping draft MAP-21, our last transportation bill. I am very excited to have a chance to work with Senator Boxer, Senator Vitter and Senator Barrasso and all of our colleagues as we try to come up with something, hopefully a 5- or 6-year bill paid for in some way. I serve on the Finance Committee, so I have a chance to help a little bit on that front as well.

I am really pleased, Madam Chair, and David, to have a chance to hear from our State and local folks. Especially our local folks, and Dave Gula is here from northern Delaware. We care about all of Delaware. But we care about the cities and the towns that have a special seat at the table, and we are glad that you are here with us today.

After reviewing the testimony from our panel, I am heartened by the stories I think we are going to hear from all of you, because what I see across the country is that State and local governments are stepping up, stepping up to the plate on transportation, maybe in ways that we have yet to do, but I think we will, we are finding ways to raise the revenues that you need to pay for transportation investments. Most of the witnesses on this panel have raised revenues at the local level or are from States that have raised revenues because you recognize that these investments pay dividends. When I was Governor of Delaware for those 8 years, I said more times than I could count, things are worth having if they are worth paying for. That remains the case today. And our local areas, our local communities, local towns and cities and counties are realizing that and demonstrating that.

Both urban and rural areas, local governments often, we find officials making some of the most innovative investments in transportation infrastructure. Because when a local official asks the voters for more money, he or she is going to be more focused like a laser on developing and delivering results and getting positive outcomes for these investments. What that means is they aren't really just investing in a list of projects. What you're investing in is a shorter commute, you're investing in less congestion and you're investing in less pollution and investing in greater business growth. You're investing in an improved quality of life for communities, the kind of stuff that Senator Cardin was just talking about.

Given all this, we need to make sure that local priorities in both cities and rural areas are taken into consideration when States are making decisions about their transportation projects. Counties, cities, NPOs need to be at the table with States when making those decisions about projects to help ease congestion, to move freight, to improve quality of life. And we need to do our part in Congress, right here, by passing a long-term bill that continues to deliver on MAP-21's promise of high performance transportation systems.

With that, I will stop and just look forward to your testimonies. Thank you.

Senator BOXER. Thank you so much. And I am so happy Senator Barrasso has come here, because he and Senator Carper again are part of the Big Four that are writing the first draft of this bill, then share with everyone on the committee and shape it into something we hope will be a very strong consensus bill.

Senator Barrasso.

**OPENING STATEMENT OF HON. JOHN BARRASSO,
U.S. SENATOR FROM THE STATE OF WYOMING**

Senator BARRASSO. Thank you very much, Madam Chairman. I agree, I am sorry for the delay. I was at our Energy Committee. We had a business meeting, we just finished the voting.

But I wanted to thank you as well as Senator Vitter for holding this hearing. I appreciate your interest in hearing the Wyoming local perspective. I would like to welcome Jimmy Willox, a friend, who is chairman of the Converse County Commission. He has been a commissioner since 2007, but a friend of 30 years. He has a great understanding of the importance of transportation at the county level.

As the chairman, Jim is responsible for balancing the budget for a large, rural Wyoming county, while also trying to meet the transportation demands of energy production in Converse County. Converse County is currently experiencing increased production in oil, gas, uranium and continues to produce coal. These Wyoming industries provide good-paying jobs that produce the energy driving our national economy. If we don't have the local road infrastructure to support heavy equipment traffic, these resources will never get to market.

Mr. Willox will testify today about Wyoming counties where roads bring oil, gas and cattle to markets in America and around the world. These are roads that bring tourists to Wyoming's spectacular national forests and parks. These are roads that folks travel hours just to get to the next town. And you will hear today these key economic and tourist routes are a mix of paved and gravel roads.

The ability to maintain these vital routes is essential in my State and to other western States. I believe we need to keep the highway program simple and flexible, building roads, bridges and highways. It often involves a series of local, State and Federal permits from numerous agencies. This adds uncertainty, increased delays and increasing costs to States and the taxpayer.

Our national interstate highway system is a critical link to every rural community throughout the State and throughout the Nation. Senator Fischer and I know this well. She chaired the transportation committee in the Nebraska legislature, I chaired the transportation committee when I was a member of the Wyoming State Senate. We need a strong partnership between the Federal Highway Administration and the States and counties.

So I want to thank Jim and all the witnesses who are here today for taking the time to travel here. I know Jim can provide the committee with a unique rural Wyoming perspective and as the ranking member of the Transportation and Infrastructure Subcommittee, I look forward to bringing the rural western perspective as we write the next reauthorization bill.

Thank you, Madam Chairman, thank you, Senator Vitter, for your leadership in holding this hearing.

Senator BOXER. Thank you, Senator. I think it is such a wonderful thing to have you and Senator Fischer here, because of your unique experience.

We will now hear from our Senator from New York, Kirsten Gillibrand.

**OPENING STATEMENT OF HON. KIRSTEN GILLIBRAND,
U.S. SENATOR FROM THE STATE OF NEW YORK**

Senator GILLIBRAND. Thank you, Madam Chairwoman, Ranking Member Vitter. I am so grateful that you have invited these witnesses here today to share the perspectives of State and local communities of our Nation's surface transportation programs. The views of local officials, those who do the real groundwork to implement the policies that we write, are critical to this process.

Madam Chair, like you, I represent one of the most diverse States in the Nation. Our transportation needs are varied and complex. We have dense urban centers where transit funding for multi-modal projects, pedestrian and bicycle improvements and congestion relief are important. We have vast expanses of rural highways and bridges that must be maintained to sustain our agricultural industry, keep our towns connected to the State's economy and attract new businesses where we need new jobs. We have everything in between.

Investing in our transportation infrastructure is one of the fastest, most effective ways to grow our economy and create jobs. That is why we need strong, sustainable funding for the Highway Trust Fund, so we can maintain and improve our transportation infrastructure, put people to work and get it done.

In addition, we should build upon programs like TIFIA that allow for innovative financing for large projects of national and regional significance. New York has more than 17,000 bridges and nearly 115,000 public road miles. According to the American Society of Civil Engineers, 12.5 percent of our bridges are considered structurally deficient. And 27.1 percent are considered functionally obsolete.

When I hear from local officials, they tell me that they have to do more with less and in many instances have to make very difficult choices of whether they can afford to reconstruct a bridge or repair a stretch of highway. In New York, local governments own 45 percent of our State's Federal highway miles and 51 percent of our bridges. Like the Federal Government, these communities are stretched incredibly thin. This means that Federal assistance is all the more critical to ensuring the maintenance of a safe and efficient highway and bridge system in my State and relieve some of the pressures on local budgets.

One of the major priorities for New York is to ensure that the Ferry Boat Formula adequately funds New York's ferry system. As you know, the Staten Island Ferry carries over one-fifth of all ferry passengers nationwide, making it the largest passenger-only ferry system in the United States. It is a critical link for 60,000 passengers every single day who use the ferry to travel from Staten Island to Manhattan. Staten Island ferries are aging and will even-

tually need to be replaced. New York cannot shoulder the burden alone. Madam Chair, this is an issue that I would like to work with you on in the reauthorization bill.

One of the biggest safety issues facing my State is the need to improve safety for pedestrians, particularly to protect our most vulnerable pedestrians, children and seniors. According to the data provided by the National Highway Safety Administration, as recently as 2011, New York State had 287 pedestrian fatalities out of the 4,432 nationally.

As we continue to invest in projects that will expand opportunities for pedestrians to walk to and from work and school and throughout their communities, we have to ensure that we also provide the necessary resources and focus to ensure our communities are doing all they can to improve safety.

I hope we will have an opportunity to address these and other concerns as we draft the reauthorization bill. I am very grateful for this hearing and look forward to all your testimony. Thank you.

Senator BOXER. Senator, we look forward to working with you and every member of this committee.

Senator Crapo.

**OPENING STATEMENT OF HON. MIKE CRAPO,
U.S. SENATOR FROM THE STATE OF IDAHO**

Senator CRAPO. Thank you, Madam Chairman and Senator Vitter.

I know we are all waiting anxiously to get to this great panel of witnesses, so I will be very brief.

After the expiration of SAFETEA-LU, it took 3 years and 10 short-term extensions to get another authorization passed. That kind of unpredictability presents serious challenges to transportation projects and to our infrastructure across the country.

That said, we all know the most difficult issue that we are facing is how to finance our transportation needs going forward. I hope we can get some progress today on analyzing and getting some creative thinking going toward understanding how to resolve that issue.

MAP-21 was financed with non-traditional methods. And it is imperative that we find a swift and meaningful fix to the serious current inadequacies of the Highway Trust Fund. With that, I look forward to hearing from the witnesses and appreciate again this hearing being held. Thank you.

Senator BOXER. Thank you.

So we are going to go straight to our witnesses. I want to put two letters in the record. One is calling for a freight policy under the new bill. It has very diverse signatures from all over the country.

The other is, I think, an unprecedented letter, Senator Vitter, to you and me and to Rahall and Shuster. And it is signed by 31 chambers of commerce. I think it is important just to take a minute to give you a sense of who signed it. These are all local chambers of commerce from Alabama, Alaska, Arizona, Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina,

North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia and Washington State.

[The referenced documents were not received at time of print.]

Senator BOXER. I have been on this committee since I got to the Senate, a long, long time ago. This is unprecedented. We have a job to do, and it ain't about red and blue. It is about getting the Highway Trust Fund on solid ground for 5 or 6 years. I know we all want to do it. And I am just really grateful to this panel, to my colleagues on the committee, for showing your interest today. So let's go first to Hon. Michael Lewis, Director, Rhode Island Department of Transportation.

STATEMENT OF HON. MICHAEL P. LEWIS, DIRECTOR, RHODE ISLAND DEPARTMENT OF TRANSPORTATION

Mr. LEWIS. Good morning, Madam Chairman, Ranking Member Vitter, distinguished members of the committee. I am Michael Lewis, Director of the Rhode Island Department of Transportation.

Actually, when I look around the panel, I have some experience with all of your States, many of your States. I actually went to high school in New Jersey, Senator Booker. My engineering degree is from the University of Vermont, Senator Sanders, when you were mayor. Most of my career was spent in Massachusetts with Senator Markey. Senator Barrasso, John Cox is the current vice president of AASHTO, so rural States are very well represented by Secretary Cox. Senator Fischer, I recently spoke with my counterpart in Nebraska, Randy Peters. We discussed various issues. We talked about streamlining permitting. So these issues affect all the States across the country.

I had the honor of testifying before you on this subject last September on behalf of the 52 State transportation departments as then-president of AASHTO. I know the current AASHTO president, Michael Hancock, Secretary of the Kentucky Transportation Cabinet, testified here in February. Today, however, I am here to speak on behalf of my State of Rhode Island and to provide you with more specific impacts on a small State with high unemployment, deteriorating infrastructure, further impacted by the uncertainty surrounding the enactment of a long-term stable surface transportation bill with adequate funding levels.

My written testimony provides a detailed picture of the current transportation funding crisis in Rhode Island, which I will summarize with four brief points. One, Rhode Island's transportation improvement program is almost entirely dependent upon Federal highway funding. If Congress does not act soon to at least restore historic funding levels, Rhode Island, even with increased State investment, simply cannot fill the funding gap. The condition of our infrastructure, among the Nation's oldest and most urbanized and already in an advanced state of deterioration, will only get worse.

Two, due to the uncertainty of Federal highway and transit funding for fiscal year 2015, Rhode Island has been forced to virtually halt its advertising program for all new highway projects using fiscal year 2014 apportionments. We have been forced to conserve our limited resources for existing commitments and emergencies only.

Three, if Congress does not act, there will be immediate and direct impacts on an already distressed Rhode Island economy, in-

cluding lost jobs and potentially permanently shuttered businesses. And last, the health of our State's infrastructure is not just a local issue. Rhode Island is a key corridor in the movement of people and goods in the northeast, as well as nationally. The deteriorated condition of our transportation system, therefore, places stress on not only Rhode Island's but the regional economy as well.

As I stated, Rhode Island's highway improvement program is heavily dependent on the Federal highway funding. The total highway program for Rhode Island averages \$240 million annually, with \$200 million each year coming from the Highway Trust Fund. Beyond required matching funds, there is no State funded highway improvement program in Rhode Island.

Over the last decade, in order to address critical infrastructure deficiencies, particularly the number of high cost bridge replacement projects that far exceeded our annual apportionments, Rhode Island was forced to leverage future apportionments through the use of Garvey financing and greater use of advanced construction, which only obligates a portion of the project costs in any 1 year. As a result, approximately 50 percent of our Highway Trust Fund apportionments are committed to existing obligations.

The uncertainty of whether Federal funding will be provided in fiscal year 2015 has required Rhode Island to delay the advertising of virtually all new highway projects. Only emergency projects and projects with funding from prior years are being implemented until Federal funding beyond 2014 is assured. This deferral of new projects has been necessary to ensure we are able to meet existing obligations, including the payment of Garvey debt service and of ongoing construction work. If RIDOT were to implement a regular highway program for 2014 without the certainty of level funding for fiscal year 2015, it would be in danger of overspending its budget by tens of millions of dollars, and the Rhode Island general revenues are simply insufficient to cover that gap.

More than 60 percent of our State roadways are rated fair or worse, and nearly 20 percent of the bridges are in poor condition. Without additional funding, the latter will increase to 40 percent in less than 10 years. In short, without sufficient funding, Rhode Island will remain in the position of managing its decline of its infrastructure.

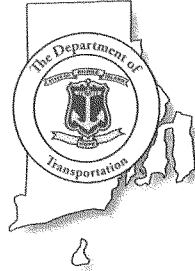
Over the last few years, Rhode Island has enacted invaluable reforms to begin to address the funding needs. An active debate is currently underway within the State legislature to provide additional funds to improve the condition of Rhode Island's transportation system while on a percentage basis becoming less dependent on the Federal program. All such efforts start with the assumption that Federal funding will continue at its current level.

The health of Rhode Island's transportation system is not just a local issue, however. The State is a key corridor between New York and Boston and part of a national network vital to the movement of people and goods throughout the country. The deteriorated condition of Rhode Island's roads and bridges therefore places stress on the network as a whole, a situation our region can ill afford. The condition of our system hinders Rhode Island's efforts to improve its economic condition. Rhode Island's unemployment rate remains near the highest in the Nation. The highway construction industry,

in particular smaller contractors, cannot afford to lose an entire construction season due to the uncertainty of Federal funding.

Rhode Island needs a long-term and fully funded transportation reauthorization bill to eliminate this current atmosphere of uncertainty and to allow the State to move forward with an annual construction program that puts citizens to work and keeps our economy going. I appreciate the opportunity to testify before you today and look forward to your questions.

[The prepared statement of Mr. Lewis follows:]



TESTIMONY OF

The Honorable Michael P. Lewis
Director, Rhode Island Department of Transportation

REGARDING

MAP-21 Reauthorization:
State and Local Perspectives on Transportation Priorities and Funding

BEFORE THE

Committee on Environment and Public Works
of the United States Senate

ON

March 27, 2014

Rhode Island Department of Transportation
Two Capitol Hill
Providence, RI 02903
401.222.2481
www.dot.ri.gov

Introduction

Chairman Boxer, Ranking Member Vitter, and Members of the Committee, thank you for the opportunity to provide input on the economic importance of maintaining federal investments in transportation infrastructure and how the impending cash shortfall in the Highway Trust Fund (HTF) will affect the State of Rhode Island. My name is Michael P. Lewis, and I serve as the Director of the Rhode Island Department of Transportation. My testimony today addresses the implications of HTF insolvency and the lack of a fully funded, long-term transportation reauthorization bill on the State of Rhode Island.

So as not to repeat testimony previously given, I would refer to the testimony provided on February 12, 2014 by The Honorable Michael W. Hancock – President, American Association of State Highway and Transportation Officials – regarding the status of the HTF, the dire national consequences of a shortfall, and the need for a continuing federal investment in state transportation systems. My testimony, instead, focuses on the devastating impact federal transportation funding uncertainty has on Rhode Island – a small, economically distressed state whose highway improvement program is completely dependent upon HTF support. There is no state-funded highway improvement program in Rhode Island.

Rhode Island has used leveraging techniques to maximize the use of federal funds each year. This leveraging magnifies the budgetary impact to the state of a shortfall in federal transportation funding at a time when Rhode Island faces severe economic challenges. The state has one of the highest unemployment rates in the nation. Due to the heavy dependence of federal funds, Rhode Island has stopped nearly all new highway construction projects until there is a continuation of the federal transportation authorization through 2015.

The state has developed plans to improve the condition of its roadways and bridges, using asset management techniques as a guide. To implement such plans, however, adequate funding is needed. Efforts are being made in the Rhode Island General Assembly to increase funding by building on the historic level of federal funding. Such efforts are being hampered by continued uncertainty in federal funding. Rhode Island needs a long term and fully funded federal transportation reauthorization bill to eliminate this current atmosphere of uncertainty and to allow the state to move forward with an annual construction program that puts citizens to work.

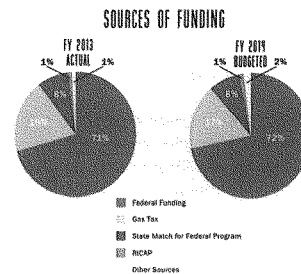
Building for Rhode Island's Future

One of the most crucial components of a healthy, vibrant Rhode Island economy is a well-maintained, efficient, and safe transportation system. Transportation infrastructure shapes opportunities for growth and affects the lives of all Rhode Islanders. Given the state's geographic location, the state is a critical link in the movement of people and goods throughout the Northeast corridor.

The Rhode Island Department of Transportation (RIDOT) receives approximately \$200 million annually from the federal government to support the state's capital program for transportation. This program encompasses the research, planning, design, and construction of infrastructure: not only federally-eligible roads and bridges (whether state or municipal), but also rail, bicycle and pedestrian facilities. The program also helps to support management functions, along with preventative maintenance activities that qualify for federal reimbursement.

The Federal Highway Administration and the Federal Transit Administration reimburse RIDOT for approximately 80 percent of the capital costs for highway and commuter rail system improvements. The state share (\$40 million annually) is derived through license and registration fees, Rhode Island Capital Plan (RICAP) funds, and previously-issued General Obligation (G.O.) bonds.¹

On average, RIDOT awards 40 construction projects each year (average total construction value of \$151 million). These projects, which range from minor roadway repairs to major bridge rehabilitations, take place throughout the state.

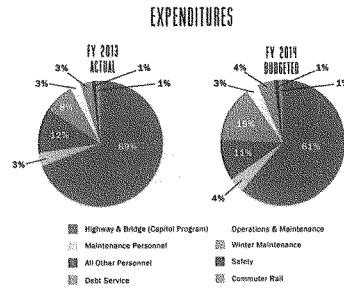


¹ Prior to FY2013, Rhode Island paid the match entirely through G.O. bonds. The state has been transitioning away from using debt to meet the match; by FY2016 the state will derive the match from license and registration fees and RICAP funds only.

Last year, RIDOT completed 46 projects, including the replacement of a vital stretch of Interstate 95, the Pawtucket River Bridge. Currently, there are 50 active construction projects statewide, totaling \$400 million in construction value.

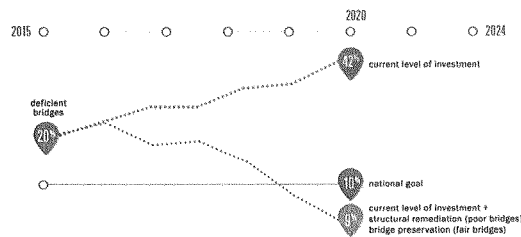
Managing Decline

Rhode Island faces a daunting number of challenges in maintaining and improving the state's transportation infrastructure at current funding levels. While the number of projects requiring attention statewide continues to grow, a gap exists between what can be accomplished at current funding levels and what is needed in order to bring the system into a state of good repair. Whether Rhode Island residents, visitors, and members of the business community drive private vehicles, take public transportation, walk, bike, or jog, the state's roads and bridges are critical links.



More than 63 percent of the state's roadways are rated fair or worse, and nearly 20 percent of the bridges are in poor condition. Approximately 15 bridges become deficient per year; yet at current funding levels, we can only rehabilitate or repair approximately 10 every year. Rhode Island's inventory of structurally deficient bridges is trending toward 40 percent by 2024.² To reverse this trend, the state would need to invest an additional \$80 million each year over the next 10 years.

DECK AREAS OF STRUCTURALLY DEFICIENT BRIDGES



*RIDOT has developed plans to reverse bridge deterioration through strategic investment and continues to work to find sustainable funding solutions. For more information on RIDOT's **Better Bridge Program**, visit www.dot.ri.gov/bridges.*

In addition, several major highway projects remain unfunded; replacement of the northbound span of the Providence Viaduct being one of them. The Providence Viaduct, which carries I-95 through Rhode Island's capitol city, is one of the busiest stretches of interstate on the East Coast; yet it has not undergone any major system-wide upgrades since it was constructed 50 years ago. It is showing signs of aggressive deterioration and can no longer meet the traffic demands placed upon it.

In July 2013, work began on a \$66.8 million contract to replace the southbound span. The northbound span project, which includes replacement of the bridge as well as construction of a collector-distributor road, represents an additional investment of \$130 million. The latter will increase safety, reduce congestion and eliminate one of the state's top traffic bottlenecks.

The state also needs to consider the Route 6/10 Interchange Reconstruction project, estimated to cost between \$400 and \$500 million over a period of five years. Currently, eight of the eleven bridges are more than 50 years old and in deteriorated condition, nearing the end of their useful lives. They are also seismically obsolete. FHWA

² Not including an estimated \$400-500 million for the reconstruction of Route 6/10.

will no longer allow RIDOT to use federal funds for short term repairs to bridges in the Route 6/10 Interchange area, as it believes that a long-term resolution should be a priority. This project would include full replacement of the interchange bridges in such a way that the highway alignment and other deficiencies would be resolved. As a result, portions of the interchange would be relocated while other sections would be replaced within the current right-of-way.

In addition to these large-scale projects, there are many other smaller projects required to maintain and improve Rhode Island's transportation infrastructure. The smaller the pool of capital resources, the greater the need for emergency repairs and changes to the planned program. RIDOT submits a five-year Capital Budget request on an annual basis; the single largest project in the Capital Budget is the Highway Improvement Program (HIP), which averages \$300 million annually.

The HIP includes hundreds of individual projects eligible for FHWA funding. The program of projects included in the HIP is established by the Transportation Improvement Program (TIP). The TIP is developed in collaboration with Rhode Island Statewide Planning; the current program runs through FY 2016.

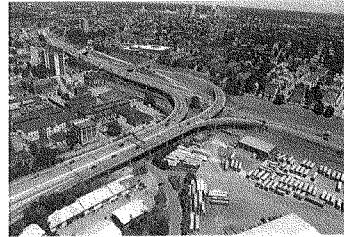
The demand for projects, as evidenced by the submissions made by every municipality in Rhode Island, far exceeds the funding available. In addition to the projects programmed in the TIP, the four-year plan includes 33 projects in the Study and Development category and another 34 projects, totaling more than \$164 million in estimated costs, in the Recommended Unprogrammed Projects category; these projects are considered viable, necessary projects for which there simply is no funding source available at this time.

Given this, the status of the HTF presents a significant challenge for Rhode Island. As noted above, Rhode Island is heavily dependent upon annual disbursements from the Highway and Mass Transit Accounts of the HTF to support capital improvements. Without a state-funded capital program, any reduction in federal funding will impact RIDOT's existing capital program, as well as many other projects listed in the TIP, and accelerate deterioration of the state's infrastructure.

Steps Taken to Reduce Future Debt

In light of the documented transportation infrastructure needs, Rhode Island has moved to implement funding strategies that leverage existing resources and pave the way for additional investments. In 2003, RIDOT received legislative approval to finance five major projects with Grant Anticipation Revenue Vehicle (GARVEE) bonds. This federal debt-financing tool allowed Rhode Island to borrow against future federal transportation funds to advance \$600 million in infrastructure improvements simultaneously; upgrades included the relocation of Interstate 195 (I-Way), the replacement of Sakonnet River and Washington Bridges, the development of the Route 403 Interchange, and improvements to the freight rail system.

ROUTE 6/10 INTERCHANGE



The result of applying this method is an immediate 25 percent reduction of the state's capital highway program. Through FY 2021, Rhode Island must repay an average of \$60 million annually, with \$50 million a year obligated from federal funds. The shortfall in the HTF in FY 2015 would mean the state would face a \$50 million GARVEE bond repayment.

In addition, the Governor and the General Assembly have acted to reduce the burden of debt that has accumulated in the form of G.O. bonds. These voter-approved bonds have been used to provide the 20 percent state match for federal funds in our annual capital program. While many other states use borrowing for specific capital improvement programming, Rhode Island's historic reliance on borrowing to provide the state match had become a non-sustainable addiction. In place of G.O. bonds, pay-as-you-go financing has been provided through Rhode Island Capital Plan (RICAP) funding; increases in registration and driver's license fees for all Rhode Island drivers has also been implemented. These increases will be phased-in over three years, so that by FY 2016, RIDOT will no longer use any G.O. bond funding for the match to the federal program. November 2012 was the first even-year election in decades without a transportation bond referendum question for the voters to consider.

Without the shift to pay-as-you-go sources, G.O. bond debt service costs would have topped \$70 million annually. Coupled with the fact that, until FY 2013, G.O. bond debt service was paid entirely through the gas tax allocated to RIDOT, transportation funding in Rhode Island was approaching a crisis state. Although Rhode Island has taken strides to eliminate future bond borrowing as state match, Rhode Island still must pay the debt it already owes. The debt service on existing G.O. bonds will extend through FY 2035, with payments gradually declining in the out-years as past bond issues are paid in full.

Consumption of gasoline has been in steady decline since late 2007, the year in which vehicle miles traveled reached its historic peak. Gas tax revenue has been in a corresponding decline. Since FY 2008, gas tax yield has declined 7.9 percent, and while one additional penny was allocated to RIDOT during the same period, total collections fell by \$3.2 million (\$93.6 million in FY 2008; \$90.4 million in FY 2013).

Keeping the downward trend of gas tax revenue in mind, the Governor and the General Assembly have implemented the first phases of a plan to shift the remaining G.O. bond debt service from gas tax payments made by RIDOT to general revenue payments made from the state's General Fund. In the first year of the shift, FY 2013, the General Fund assumed \$8.0 million of G.O. bond debt service payments; this amount increased to \$10.0 million in FY 2014, the current fiscal year, and is programmed to increase by \$10.0 million increments through FY 2017. It is anticipated that FY 2018 will be the first year when RIDOT will make no gas tax payments toward G.O. bond debt service costs.

Implications of HTF Deficit to Rhode Island

Rhode Island's highway improvement program is completely dependent upon federal highway funding. The total highway program for Rhode Island averages \$240 million annually, with \$200 million each year from HTF apportionments. There is no state-funded highway improvement program in Rhode Island.

Rhode Island has utilized leveraging techniques to maximize the use of federal funds. Leveraging these funds leaves the state vulnerable in the face of a HTF shortfall. One technique known as advanced construction has been used by the state for a number of expensive multi-year bridge projects, such the I-95 Providence Viaduct. With advanced construction, federal funds are allocated to projects only as funds are needed to pay contractors. However, as each year ends, Rhode Island is already committed to use about \$50 million of the coming year's federal funds for projects already underway.

GARVEE financing is another federal leveraging technique the state used 10 years ago to advance key large-scale projects. GARVEE financing gave the State access to over \$600 million in bond funds, borrowing against future federal funds. The result is an immediate 25 percent reduction of the state's highway improvement program as Rhode Island must commit \$50 million of federal funds each year for GARVEE debt service.

The uncertainty of whether federal funding will be provided in FY 2015 has forced Rhode Island to virtually halt the advertising of all new highway projects. Only emergency projects and projects with funding from prior years are being implemented until federal funding beyond 2014 is assured. This delay in new construction is being

done in order to insure the payment of GARVEE debt service and of ongoing construction work. If RIDOT were to implement a regular highway program for 2014, it would be in danger of overspending its budget by tens of millions of dollars.

During 2014, RIDOT will maintain design, planning, and administrative activities at a level necessary to fulfill the basic functions of a department of transportation as well as to be prepared for the resumption of federal highway funding.

The impact of the uncertainty of federal funding will have serious consequences on the condition of the state's transportation infrastructure and on the state's economy. The longstanding lack of funding for transportation has taken a toll on the condition of Rhode Island roads and bridges. Nearly 63 percent of the state's roadways are rated fair or worse; nearly 20 percent of the bridges are in poor condition. Without additional investment, that number will increase to 40 percent in less than 10 years. In short, without sufficient funding, the state will remain in a position of managing the decline of its infrastructure.

Within the last three years, the state has enacted invaluable reforms to address Rhode Island's transportation funding needs, such as eliminating bonding to provide for the state match to federal funds and using the General Fund to pay for debt service. Efforts are also underway to provide additional state funds to improve the condition of the state's transportation system. All such efforts, however, start with the assumption that federal funding will continue at its historic level.

It cannot be overstated that HTF insolvency would be crippling for Rhode Island. The state's unemployment rate remains near the highest in the nation, and one of the hardest-hit sectors is construction. Losing an entire construction season due to the uncertainty of federal funding has the potential to put smaller contractors who rely on steady highway construction work out of business. But the health of Rhode Island's transportation system is not just a local issue. The state is a key corridor between New York City and Boston – and part of a national network of roads vital to the movement of goods and people throughout the country. The deteriorated condition of Rhode Island roads and bridges, therefore, places stress on the network as a whole; a situation our nation can ill afford.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Michael P. Lewis
Director



Department of Transportation
OFFICE OF THE DIRECTOR
Two Capitol Hill
Providence, R.I. 02903-1124

OFFICE (401) 222-2481
FAX (401) 222-2086
TDD (401) 222-4971

May 1, 2014

The Honorable Barbara Boxer
Chairwoman
U.S. Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

The Honorable David Vitter
Ranking Member
U.S. Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

Attention: Mr. Drew Kramer

Dear Chairwoman Boxer and Ranking Member Vitter:

I would like to thank you for the opportunity to provide testimony before the Senate Committee on Environment and Public Works on March 27, 2014, at the hearing entitled, "MAP-21 Reauthorization: State and Local Perspectives on Transportation Priorities and Funding."

I am pleased to provide the below answers to the follow-up questions submitted by yourself and Senator Wicker.

Questions from Senator Barbara Boxer

1. Your testimony states that Rhode Island has stopped nearly all new highway construction projects until there is a reauthorization of federal transportation programs. Is this unique to Rhode Island or are you aware of other states responding to the pending funding uncertainty in a similar manner?

Answer:

As I stated in my testimony, Rhode Island has delayed the advertisement and or the award, of most non-emergency projects using FY 2014 funds due to our existing commitments to ongoing projects that rely on future federal apportionments (FY'15 and beyond) as well as

The Honorable Barbara Boxer
 The Honorable David Vitter
 May 1, 2014
 Page two

commitments to pay debt service on GARVEE bonds issued over the last 10 years. If RIDOT were to implement our planned highway program for 2014, it would be in danger of overspending its budget by tens of millions of dollars with no identified revenue source to pay its obligations.

Each state has had to make an individual assessment on how or if it would be impacted by a delay or reduction in federal funding based on its ability to supplement federal funds through state resources and a risk assessment of the likelihood of Congress failing to act in time or at a funding level different than recent history would suggest. Recent press reports and anecdotal information from other states suggest that there is a range of reaction based on individual circumstances. In March, the Arkansas State Highway and Transportation Department withdrew ten construction projects totaling \$60 million which were scheduled for award in April, 2014. Tennessee Secretary, John Schroer, was quoted as saying: "Without action at the federal level, TDOT will be forced to develop an alternative program that focuses entirely on the maintenance of our existing pavement and bridges rather than new construction projects." In January, the Missouri Highways and Transportation Commission chose not add any projects to its STIP and to suspend the cost share program due to federal and state uncertainty. In Delaware all projects not currently under contract, but scheduled for FY 2015 are being deferred or delayed until regular scheduled apportionment payments are assured. The Kentucky Transportation Cabinet has reported that they are holding \$ 60 million in "shovel ready" rehab projects and are considering delaying another \$ 230 million in federal projects scheduled for a May, 2014 advertisement. Each state has had to weigh the risks of a federal delay based on their own ability to absorb commitments with state resources and their confidence in timely action by Congress. In Rhode Island where the implications of over commitment are dire, it reminds me of a Clint Eastwood line from the original film, Dirty Harry, "Do you feel lucky?".

2. In your testimony you mention how the insolvency of the Highway Trust Fund would be crippling for Rhode Island and how the uncertainty of the Highway Trust Fund could lead to the loss of an entire construction season. Could you explain what this would mean to ongoing or planned projects and the impacts to safety, mobility, and construction workers who would be harmed?

Answer:

Due to the uncertainty of Federal Funding, we have been forced to hold back utilization of our 2014 Federal Funds in order to ensure that we can cover our obligations for 2015 (Garvee debt, ongoing construction projects, etc.) Only projects with previously identified funding, critical implementation schedules are going forward. This has resulted in the delay of implementation of essential pavement preservation and bridge rehabilitation projects.

The Honorable Barbara Boxer
The Honorable David Vitter
May 1, 2014
Page three

Without immediate resolution of the Federal Funding issue, implementation of these projects will all slip into the 2015 construction season. Failure to implement these crucial projects on schedule will have negative impacts on safety, mobility and jobs.

Questions from Senator Roger F. Wicker

1. Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.

Answer:

There is no county government in the State of Rhode Island. There are 39 municipalities within the State which maintain 5,275 center miles of roadways of which 4,486 center line miles are functionally classified as local roads not considered part of the federal highway system. The State highway system consists of 1,099 center line miles of roadway with only 28 miles of State roadways classified as local.

The entire state of Rhode Island is considered one Metropolitan area for purposes of transportation planning. The State Planning Council (SPC) serves as the State's Metropolitan Planning Organization (MPO). Transportation funding programming for all federal funds is made by the SPC working through its Transportation Advisory Committee (TAC). Both the TAC and the SPC have extensive involvement from local communities as well as other State agencies. The Metropolitan and Statewide Transportation Improvement Program (TIP) are the same document; there is no separate state TIP. It should be noted that the TIP provides funding for federally eligible municipally maintained roadways as well as State maintained roadways.

2. Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

The Honorable Barbara Boxer
The Honorable David Vitter
May 1, 2014
Page four

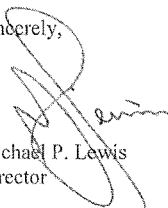
Answer:

This specific problem presented is not one we see in the State of Rhode Island, as there is no County government in the State. While increasing the sub-allocations of funds to non-urban areas and off-system bridge work is often presented as a way to increase transportation to county governments, the approach is actually problematic for small urban states like Rhode Island. The problem for our State can be seen in the case of off-system bridge funding.

Rhode Island receives about \$15 million per year of off-system bridge funds and currently has a balance of about \$52 million. However, addressing all of our structurally deficient off-system bridges, only nine in number, would cost only about \$5 million. For Rhode Island, the choice on how to spend the limited transportation funding available is best made in the transparent and all inclusive planning process we utilize through the TAC and SPC, not through a forced allocation of funds. This comes back to the issue of the "size of the pie" not trimming from one slice that is already too small to add to another slice that is insufficient.

Please do not hesitate to contact me if you have any further concerns or require additional information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael P. Lewis", is written over a large, stylized, light-colored circular mark or watermark.

Michael P. Lewis
Director

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Michael P. Lewis
Director



Department of Transportation
OFFICE OF THE DIRECTOR
Two Capitol Hill
Providence, R.I. 02903-1124

OFFICE (401) 222-2481
FAX (401) 222-2086
TDD (401) 222-4971

May 2, 2014

The Honorable Barbara Boxer
Chairman
U.S. Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

The Honorable David Vitter
Ranking Member
U.S. Senate Committee on Environment and
Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

Subject: Supplemental response to question one from Chairman Boxer from the Senate
Committee on Environmental and Public Works hearing on March 27, 2014 entitled
*"MAP-21 Reauthorization: State and Local Perspectives on Transportation Priorities
and Funding."*

Attention: Mr. Drew Kramer

Dear Chairman Boxer and Ranking Member Vitter:

I would like to include the below supplemental response to question one from Chairman Boxer
from my previous letter dated May 1, 2014.

Q1:

Your testimony states that Rhode Island has stopped nearly all new highway construction
projects until there is a reauthorization of federal transportation programs. Is this unique to
Rhode Island or are you aware of other states responding to the pending funding uncertainty in
a similar manner?

Answer:

Given the significant role that federal highway funding plays for state DOT capital programs
across the country, Rhode Island is not alone in cutting back or anticipating significant cutbacks
on construction projects for both FY 2014 and FY 2015 due to the looming Highway Trust Fund
(HTF) insolvency this summer.

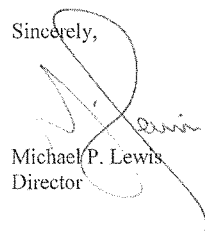
The Honorable Barbara Boxer
The Honorable David Vitter
May 2, 2014
Page two

According to the results of a survey of state departments of transportation conducted by the American Association of State Highway and Transportation Officials (AASHTO) in December 2013, nine states said they will be looking to cut back on the capital program during this fiscal year to stabilize and protect their cash flows. For FY 2015, 21 states planned to slow down their capital programs. Some of these actions include restricting or delaying new letting, and slowing down the construction schedule on both programmatic and project-specific bases.

It is important to also note that this survey was completed prior to the HTF condition worsening between the Administration and CBO projections in late 2013 and early 2014.

If you require any further information, please do not hesitate to contact me.

Sincerely,



Michael P. Lewis
Director

Senator BOXER. Thank you. My friend, Senator Inhofe, has asked to do an unusual intervention. And because of my respect and admiration for him, yes.

[Laughter.]

Senator INHOFE. Since we are talking about the one subject we are in total agreement on, I appreciate that.

Senator BOXER. WRDA is too, WRDA and this.

Senator INHOFE. That is right, infrastructure.

Senator BOXER. Listen, two out of a hundred.

Senator INHOFE. That is pretty good.

Anyway, we are delighted to have Mayor Mick Cornett here, along with the other witnesses. I just wanted to be sure you got my message this morning. I came by earlier, thinking you might arrive early and we would have a chance to talk. You see, I had a hard time, a hard job once, I tell my friends up here. Being mayor of a city, there is no hiding place there. Sort of like the trash ends up in your front yard, and it did in mine.

But I have a statement I will not read. I will put it in and submit it for the record. I am sure the Chairman will allow me to do that. And in that, I would make a reference to what happened yesterday. We are talking about perhaps some NAACS changes and ozone, how that could put us out of attainment. As you well know, all 77 counties in our State of Oklahoma could be out of attainment if they went down to something like 60 parts per billion, having a tremendous negative effect on our road building capability.

So I had some of these things, I am going to stay for a few minutes. But I am the ranking member on Armed Services, and I don't have a choice, I have to be up there, too. I thank you for allowing me to make that statement.

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF HON. JAMES M. INHOFE,
U.S. SENATOR FROM THE STATE OF OKLAHOMA

I'd like to welcome Mayor Cornett from Oklahoma City. It's great to have you here with us today and I want to congratulate you on your recent reelection. We look forward to your testimony.

Today we're focusing on local transportation perspectives and I'd like to highlight two significant challenges to the future of the Federal Highway Program. One, which we are all well aware of, is the Highway Trust Fund shortfall. The other is something we haven't touched on in a while and it is the EPA's ever-changing national ambient air quality standards (NAAQS), and their effect on the ability for States and locals to build new roads and bridges.

First, the Department of Transportation is projecting for the trust fund to run out of money sometime in August—before MAP-21 expires. In Oklahoma, Federal funding accounts for about half of ODOT's funding. Every year ODOT updates their 8-year plan—where they prioritize what projects get funded. Mike Patterson, ODOT's Director, has told me that the 8-year plan becomes a 16-year plan if Federal funding dries up; however that doesn't take into account the deferred maintenance which will drive costs up even more. Oklahoma City is intersected by three major interstates—I-35, I-40, and I-44—which connect the city and Oklahoma to the rest of the country. I am amazed that we continue to allow the physical platform of our economy, like these interstates, to decay, yet we continue to expect our just-in-time economy not to be affected. The additional friction costs associated with freight and commuting delays far out paces the cost of investing in these roads in the first place.

Finally, after yesterday's hearing with Gina McCarthy, I'd be remiss if I didn't bring up the EPA's ongoing desire to change the NAAQS for ozone, which many in the highway world may not realize affects them tremendously. Any project in a county that is non-attainment must go through a conformity process under the Clean Air Act, which requires emissions offsets to any increased new mobile source

emissions, for example—a large project like the newly completed I-40 Crosstown expressway in Oklahoma City.

After the 2008 standards of 75 parts per billion, Oklahoma worked hard and spent a lot of money to maintain its “nonattainment” status statewide. It has come to my attention that the staff at the EPA might be looking at a standard as low as 60 parts per billion. Behind me, you’ll see maps of what would happen to the United States and Oklahoma if the EPA and the environmentalists are successful in unnecessarily lowering the standard from 75 ppm to 60 ppm. If this were to happen, it would add enormous additional cost to any new road expansion project.

As Ranking Member of the Armed Services Committee I have to attend a hearing that we have going on right now, so I’m not going to be here for questions. However, I ask that the panelists submit the costs and burdens that will be associated with expanding your roads and bridges and attracting new businesses when you fall out of attainment because of the EPA.

Senator BOXER. Senator, thanks. We will be working very closely together. Next week we are going to have a meeting with the Big Four, and then we are going to start meetings with everyone individually to get you all on board. Because this thing, you used the word crisis, Mr. Lewis, and I have to share that. This is a looming crisis that is upon us.

So thanks. And now we will go back to our esteemed panel, and we will call on Ms. Sue Minter, Deputy Secretary, Vermont Agency of Transportation.

STATEMENT OF SUE MINTER, DEPUTY SECRETARY, VERMONT AGENCY OF TRANSPORTATION

Ms. MINTER. Good morning and thank you, Chairman Boxer, Ranking Member Vitter, members of the committee. This is an honor for me to be able to speak before you today about the special issues facing small States and your opportunity with the next transportation reauthorization bill. It is also great to hear from you about the issues that we feel so passionately about.

Our transportation network really is the backbone of our economy. And our economic strength and growth and success depends upon a 21st century transportation system. And now as our country is finally slowly climbing out of the great recession, it is critical that we fund a safe and reliable transportation system.

Vermont, like many States, is confronting challenges of an aging and deteriorating infrastructure, as we have heard. While we have made substantial progress in the last 5 years, we, like others, still have 30 percent of our bridges that are either structurally deficient, functionally obsolete or both. And a quarter of our roads are considered in very poor condition.

The highway network is an integrated system that literally ties our Nation together. And all States continue to need the Federal Government to play a leadership role in funding our system. Although Vermont is small and rural, we also play a significant role in the national network. We host two interstate corridors and a rail corridor to our Nation’s largest trading partner, Canada.

And this is why all State DOTs and our private sector contractors are extremely concerned about the pending insolvency of the Highway Trust Fund. Just the prospect of the fund running low on cash by this July has already motivated many States like Rhode Island to delay new capital projects. We must mitigate our risks, and we are all watching you to see what is coming next.

I want to make it clear that if the fund is not replenished soon, project delays will become cancellations. And a reduction in our transportation projects directly translates into job losses in the construction industry and will have an immediate and negative economic impact. In a small State like ours, it can literally tip the balance on our fragile economic recovery.

So on behalf of all of my DOT colleagues and our partners in the construction industry, we need you to refill the trust fund as expeditiously as possible.

We also support MAP-21's focus on funding flexibility, performance measurement and innovation. Our State has benefited greatly from these reforms, particularly with our accelerated project delivery program. We understand that government must innovate, must strive for efficiency and demonstrate to our taxpayers that we are getting results for their investment.

Finally, I would like to comment on the increasing challenges that severe weather is imposing on our infrastructure and our budgets. With the weather you have been seeing here in D.C., I am sure we don't need to remind you that winter is long this year. In Vermont, we are out today cleaning the 93rd winter weather event, an all-time high. Unfortunately, this is also a budget breaker and increases the degradation and the cost for our road maintenance.

Across the Nation, weather patterns are changing. Natural disasters and weather events are increasing in frequency, severity and cost. In the past 3 years, the U.S. has tallied 32 different billion dollar storms, ice and snow, floods, tornadoes, wildfires, drought and now landslides. In 2011, Vermont suffered historic flooding from Tropical Storm Irene, which ravaged our State in one night, damaging over 500 miles of road, taking out 34 State bridges. Because of infrastructure damage, 13 communities were totally cutoff by this flood, 20,000 acres of farm land were flooded, 1,200 homes and businesses damaged, and most tragically, seven lives lost. Thanks to your help, and the Federal funding and in particular the Federal Highway Administration ER program, Vermont is now, two and a half years later, in a strong recovery. We thank you.

I know well the toll of disaster. I helped lead our transportation agency's emergency response to Irene. And 4 months later, I was deployed by Governor Shumlin to become the recovery officer for the State. Transportation departments are finding themselves in unexpected leadership roles as disasters strike, something I witnessed in Colorado. Irene taught us many lessons. I have seen the dramatic impact of infrastructure loss and the risks to human lives and economic security. I believe that resilient infrastructure is needed, and I request that we consider research and investment in resilience to be included in the next transportation bill.

Thank you so much for the time and for the important work you do in sustaining our transportation system.

[The prepared statement of Ms. Minter follows:]

**United States Senate Committee on Environment and Public Works Testimony:
Sue Minter, Deputy Secretary, Vermont Agency of Transportation
Transportation Funding and Program Priorities
March 27, 2014**

Chairwoman Boxer, Ranking Member Vitter, Senator Sanders, and members of the Committee, thank you for the invitation to appear before you today to hear key transportation funding and program priorities for small and rural states.

It is an honor to be able to testify before this committee to help inform the important work you do. In my short time here with you this morning I wish to emphasize three main points:

- The critical role the transportation system plays in the country's economic growth and the need to replenish the Highway Trust Fund (HTF) in a timely fashion;
- The unique situations facing small, rural states and the essential role they play in the national transportation network;
- The urgency to address the challenges of extreme weather and improve the readiness and resilience of the nation's transportation system to our changing climate.

Our economic growth and success depends upon having a 21st Century transportation infrastructure. At this time, as our country begins to slowly climb out of the Great Recession, we need to redouble our investment in a safe and reliable transportation system that supports all travel modes. That is why you have such an important job in continuing the progress of MAP-21 in the next reauthorization bill.

Vermont, like many states, is confronting the challenge of an aging and deteriorating transportation highway and bridge network. As required under MAP-21, we are measuring our system performance over time. While we have made substantial progress over the last five years, nearly 30% of our bridges are still structurally deficient, functionally obsolete or both,

and nearly one quarter of our roads are rated in "very poor" condition. We have huge funding needs to simply provide safe and efficient travel on our existing network.

Vermont is not alone. All state DOTs, and our private sector contractors, are extremely concerned about the pending insolvency of the HTF. Just the prospect of a slowdown in federal reimbursements for projects currently under contract is already causing some DOTs to mitigate their risk by delaying advertising and bidding for future capital projects. If the HTF is not replenished soon, these project delays will become cancellations. A national reduction of transportation projects this spring and summer will have an immediate and direct negative economic impact. Reducing or eliminating transportation projects translates into job losses in the construction industry. In a small state like ours, this can tip the balance on our fragile economic recovery.

On behalf of all my DOT colleagues and our partners in the construction industry, we encourage you to re-fill the Highway Trust Fund as expeditiously as possible.

Small states and rural areas are especially vulnerable to potential funding challenges, and this is already severely limiting our ability to maintain our transportation infrastructure. A 2012 analysis of Vermont's transportation funding showed that Vermont is annually \$240 million short of what is needed to maintain our existing system of roads and bridges. Moreover, our dispersed and aging population is an additional pressure as more Vermonters are dependent upon transit for basic travel to work and medical appointments.

Vermont is one of several states that recently raised its state gasoline and diesel taxes in order to stabilize our transportation budget. However, this increase in the tax rate was to make up for the years of revenue declines from reduced gas consumption arising from the improvement in vehicle efficiencies and the decline in vehicle miles traveled.

Our states may be small, but we have a significant role in the national transportation network. For example, the transportation networks in border-states play a vital role in national and global trade. Vermont provides essential corridors to our nation's largest trading partner, Canada, hosting two of New England's three interstate highways into Canada. Our highway network is an integrated system that ties the nation together.

All states continue to need the federal government to play a role in funding essential investments to sustain our national transportation system. MAP 21 provided the critical and historic federal support for state transportation systems and protected the needs of small states. We request that this approach continue in the next authorization. We also strongly support the continuation of MAP-21's focus on funding flexibility, performance measurement and innovation. Our state has benefited from all of these elements with our emphasis on accelerating project delivery. We know that government must innovate, strive for efficiency, and demonstrate that taxpayers are getting the best results for their investments.

Finally, I want to comment on the increasing challenges that severe weather is imposing on our state budget and transportation infrastructure. Centuries-old weather records are being regularly dashed. With numerous snow storms and federal government closures here in Washington, the winter of 2014 has broken records throughout the region. In Vermont, we have just finished clean up for the 92nd winter weather event – an all-time high – which, unfortunately, has also meant record-setting expenditures for plowing and salt use, a trend that has occurred throughout the Northeast. With the unprecedented freeze and thaw cycles, we anticipate the next challenge when our snow melts to be increased flood threats and a bumper crop of potholes to fix.

Across our nation weather patterns are changing. Severe weather and natural disasters and the tolls they carry continue to mount. According to the Department of Homeland Security, 2011 set many records, with 14 different natural catastrophes exceeded a billion dollars each, and a record-setting 98 presidentially declared disasters. 2011 was also the year of historic flooding in

Vermont from Tropical Storm Irene, a storm that ravaged our state. In one night, over 500 miles of roadway and 200 bridges were damaged or destroyed, and over 200 miles of railway were rendered impassable. Thirteen communities were totally cut-off due to flooding and infrastructure damage and 7 fatalities occurred due to the storm. In addition 1,200 homes were damaged, and 20,000 acres of farmland flooded and crops destroyed.

I helped lead our transportation agency's emergency response to Irene, and four months later was appointed by Gov. Shumlin to lead the state's disaster recovery. Transportation departments are finding themselves in unexpected leadership roles more as disasters strike – something I witnessed first hand when I lead a team from Vermont to support the Colorado DOT in the wake of historic flooding this past fall.

Irene taught us many lessons, one of which is that we are simply not well-prepared for the kind of weather that is predicted to continue and increase in the future. I saw in dramatic ways that when transportation infrastructure is destroyed, individual and community health and safety, as well as economic security, are all at risk. Our state's unifying mission was to build back stronger than Irene found us. Irene motivated us to push for greater resilience to our changing climate at the national level. Thanks to your help with federal funding support – particularly the FHWA – ER program – we are in a strong recovery.

The more intense and severe weather requires that we think differently about the ways in which we plan, design, and construct transportation infrastructure. In addition to increasing our efforts to reduce our carbon emissions from the transportation sector, we must begin to plan for and build a more resilient infrastructure to better withstand future storms. Resilient infrastructure will not only protect human safety, it will reduce the future costs associated with rebuilding inadequate infrastructure that is repeatedly destroyed in storms. It is critical that research and investment in resilience be included in the next transportation reauthorization bill as both a national goal and a funding priority.

In sum, the Transportation Reauthorization Bill offers us an extraordinary opportunity to ensure the country's continued mobility, trade and economic prosperity while also addressing many pressing issues in our nation. This legislation can modernize, strengthen, and integrate transportation systems that connect rural residents, communities and commerce. A properly funded transportation system translates directly into jobs and a strong national economy. In order to ensure the viability of small state and rural area transportation systems, we need to ensure sustained, long-term HTF funding. Finally, we must begin to address the very serious implications of our changing climate, become better prepared for future storms, and develop greater resilience to withstand and rebound from future extreme weather events.

I know you have a huge task in front of you and I wish you the best in your efforts to maintain and improve our nation's transportation system. Thank you.

Senator Barbara Boxer
 Senator David Vitter
 May 1, 2014
 Page 1

Questions From Senator Boxer

1. Your state has experienced first-hand the devastating impacts to infrastructure that have resulted from severe weather events. Can you share any lessons learned from your experiences dealing with Tropical Storm Irene and the rebuilding process of what states should be doing to plan and build infrastructure with resiliency in mind and how that will save taxpayer dollars?

Vermont has learned many lessons from the devastation of Tropical Storm Irene and subsequent federally-declared (as well as undeclared) disasters. Perhaps the most fundamental lesson is that critical elements of our transportation infrastructure are not adequately designed to withstand the sort of weather we are now experiencing with increasing frequency. During the Irene disaster (2011), over 500 miles of roadway was damaged, along with 200 bridges, across the state. Thirteen communities were totally cut off by destroyed infrastructure and several had only emergency access for weeks, with significant risks to public health and safety. The repair cost for rebuilding (state and local) infrastructure exceeds \$500 million, a figure that includes both FHWA-Emergency Relief (ER) funds and FEMA Public Assistance (PA) funds. (To put this into context, Vermont's annual FHWA apportionment is less than \$200 million.)

While Vermont has been able to substantially recover from TS Irene - in large part due to the support of federal programs - we are committed to building a more "resilient" infrastructure, with the capacity to better survive the impact of more frequent and severe precipitation predicted for this region. We have learned from Irene that significant vulnerabilities to our transportation system are the structures - culverts and bridges - that enable water to traverse the system.

When we rebuild with infrastructure designed for the future, it may take more capital investment in the short term, but will save taxpayer funds in the long run by avoiding the need to continue to rebuild the same inferior structure. We have seen this play out in areas with repeated disasters. While some federal programs (notably the FHWA-ER) generally enabled us to build a more resilient infrastructure, other programs (notably FEMA PA) required that we build back to the standard that existed before the storm. We have many examples throughout the state of undersized culverts where FEMA only allowed reimbursement to replace an inferior structure, rather than allow funding to rebuild to a higher standard. In some cases these culverts and roadways have been repeatedly washed out, and subsequently replaced, over a short time period. This not only costs more to taxpayers, it increases the risks to the public safety of our citizens.

Simplifying and better aligning our federal disaster recovery programs would also result in savings to the taxpayer and better outcomes. States and municipalities face a confusing array of federal programs when a disaster strikes. Improved coordination between the different federal agencies and improving the alignment between FHWA-ER and FEMA PA is one solution. Although these two programs address infrastructure repair post disaster, they require different rules and administration for the recipients of recovery funds. This adds confusion and frustration, as well as cost and delay to affected communities. These federal agencies should better align their programs to facilitate and expedite disaster recovery, save taxpayer dollars, and improve public safety. We recommend Congress request a report from FHWA and FEMA to address this problem.

Senator Barbara Boxer
 Senator David Vitter
 May 1, 2014
 Page 2

The Agency of Transportation (VTrans) is working with state and federal partners to better understand the vulnerability of and risks to the state's transportation infrastructure, and take steps to reduce our risks. This means prioritizing the work needed to retrofit and move transportation facilities out of harm's way and thus protect the public investment, prevent future damage from storms, and keep the economy moving. **We recommend that Congress add resilience as a national transportation planning goal and incorporate resilience and vulnerability assessments into the asset management plans that all state DOTs are now required to develop under MAP-21.**

Finally, allowing FHWA funds to be matched with other federal funds for disaster recovery and resilience projects will greatly assist in maximizing federal programs' benefits. For example, greater resilience in post-disaster recovery would be facilitated by enabling FHWA-ER funds to be matched with FEMA's Hazard Mitigation Grant Program (HMGP) - Sec. 404. In addition, Community Development Block Grants-Disaster Recovery (CDBG-DR) funds are able to be used to match HMGP 404 funds. Vermont has utilized the flexibility of CDBG-DR funds to build more resilient infrastructure. By extending this flexibility to FHWA - for funds along the federal aid system - this could result in the investment in resilient infrastructure and reduce future public safety risk and repair costs.

Your testimony explained about how critical the federal government is in providing funding to small states. Can you elaborate on what the impact would be to small states if the federal program was to be cut 100% in fiscal year 2015?

Small states are heavily dependent on federal transportation funding. Vermont, for example, relies on federal funds for approximately half its transportation budget. Because of our low population, we cannot generate sufficient traffic volumes to raise user-fee revenues such as tolls and leases - revenue-generating mechanisms that are staples of diversified transportation funds in larger states and urban areas with a higher population base.

A 100% cut in the federal program would be devastating to small states. These states would be unable to maintain their highway infrastructure and public transportation services. We could expect to see significant increases in pavement deterioration, and in the number of structurally deficient bridges. Bridges would likely require weight postings and even closures, impairing mobility and the flow of intrastate and interstate freight movements. Public transit routes - which, with our dramatically aging population, increasing number of residents rely on to get to medical appointments and their places of work - would have to be cut because federal programs fund the vast majority of transit routes.

The negative impact of a 100% cut in federal aid to private construction contractors and their employees would be stark. Layoffs would occur throughout the construction sector. Small businesses that benefit from the indirect and induced effects of highway construction projects would similarly suffer, and be forced to reduce staff.

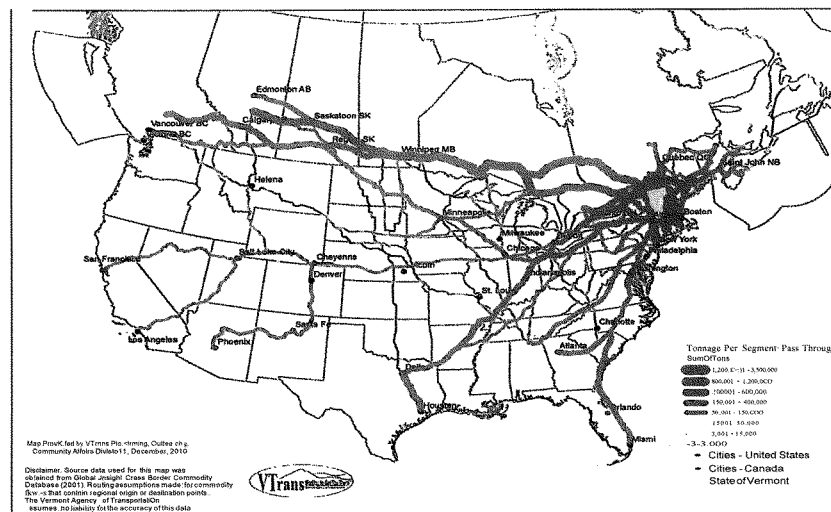
It is important to recognize that the nation's transportation system is a network that provides critical linkages through states to interstate and international commerce. Vermont provides a critical link to our nation's largest trading partner - Canada - hosting two of New England's

Senator Barbara Boxer
 Senator David Vitter
 May 1, 2014
 Page 3

three interstate corridors to Canada. In Vermont, over one-third of truck flows are through movements –that is, have an origin and destination point outside Vermont. That rate is even higher for international trade, where close to two-thirds of trucks using Vermont border crossings are headed somewhere outside the state –mostly to mid-Atlantic and southeastern states. As illustrated in the map below, our transportation infrastructure is truly national in scope and interdependent.

We consider federal involvement in transportation as more than a funding mechanism. Rather, we view it as a partnership to further mobility, economic development and environmental goals at both the state and federal levels.

U.S.-Canada Cross Border Commodity Flows Through Vermont



Questions From Senator Wicker

1. Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.

The Agency of Transportation (VTrans) and Vermont's 251 municipalities partner to maintain the state's 15,793 road miles and 3,972 bridges. Beginning in 1992, VTrans developed the Transportation Planning Initiative – a program of local consultation and coordinated decision-making. Administered by Agency staff and the state's Regional Planning Commissions, this program is responsible for developing the local project priorities that end up in the Agency's statewide project prioritization.

Senator Barbara Boxer
 Senator David Vitter
 May 1, 2014
 Page 4

Both the Agency and municipalities are responsible for maintaining highway networks in their respective jurisdictions. Recognizing the substantial lane miles municipalities have to oversee, the Agency assists by providing \$25-\$30 million in federal funding annually for municipalities as part of the Class 1 Paving and Town Highway Bridge programs. In addition, the Transportation Alternatives program is geared to municipalities and includes approximately \$2 million in annual federal funding.

In addition to the federal funds mentioned above, the Agency also provides significant investment of State funds on the municipal system. In most years the State provides in excess of \$40 million in State funds to support local highways. The Agency also provides technical support and assistance as part of the Local Transportation Facilities program, and through our Maintenance District staff.

2. Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

Vermont does not have a County system of governance, and town governments (and not counties) administer local road programs.

We do see a funding disparity between the NHS and off-network highways, but also understand federal policy to prioritize the NHS. VTrans has historically (prior to MAP-21) relied on the STP Program and Bridge Replacement and Rehabilitation Programs to meet federal-aid highway and bridge needs off the NHS. Off-NHS system needs exceed those of the NHS, but those investments are now effectively limited to STP Program funds. We are looking for continued flexibility within MAP-21 and subsequent reauthorizations to meet the needs of the entire highway system - not just the NHS.

Many thanks, once again, for the opportunity to comment on the important issues within the transportation reauthorization bill. Please feel free to contact me if I can be of further assistance in any way.

Sincerely,

Sue Minter
 Deputy Secretary of Transportation

cc. Senator Bernie Sanders
 Senator Patrick Leahy
 Congressman Peter Welch
 Governor Peter Shumlin

Senator BOXER. Thank you for your excellent testimony.

And we turn to Hon. Greg Ballard, Mayor, city of Indianapolis, Indiana.

STATEMENT OF HON. GREGORY A. BALLARD, MAYOR, CITY OF INDIANAPOLIS, INDIANA

Mayor BALLARD. Thank you, Chairman Boxer, Ranking Member Vitter and distinguished members of the committee. I very much appreciate your allowing me to testify today.

America's cities are preparing for a great revival. Many planners note that when our country built the interstate highway system starting back in the 1950s, it enabled an exodus from the urban areas to the suburbs. As we meet today, the tides of that population outflow are reversing, and we are witnessing a remigration to the cities.

For many decades, transportation planning centered on the movement of people and goods between commercial and residential centers. Today, our cities face a much different transportation need, one of connecting people to each other and to unique experiences. New urban dwellers want to be connected to their neighborhood and their city through means other than a car. It is no longer a foregone conclusion that people will move back to the suburbs and commute to the city. A growing number of people are choosing to live local, shop local and eat local. They want access to an authentic urban lifestyle, and they want it right outside their front door.

Last month, Richard Florida wrote an article in the Atlantic Cities magazine about what entrepreneurs want when looking for a place to start a business. Talent ranked No. 1. And words such as live, parks, schools and restaurants all ranked near the top of that list. The battle for the future of American cities will be won by the place that attracts and retains talent. It is clear those people want a high quality of life.

I want to thank you for the funding you have previously sent to local governments for these types of projects. In Indy, we used it with local funds to build a variety of trails and greenways, such as the Monon, the Fall Creek, Light River and the Pennsy Trails. We also dedicated a portion of our innovative RebuildIndy fund, a half a billion dollars, to constructing bike lanes and trails connecting all corners of our city and making it an even more attractive place to live, work and raise a family.

Indy is attracting national and worldwide attention for making the infrastructure investments that attract people to our city, which includes roads, bridges, alleys and so much other. The Indianapolis Cultural Trail connects six historic walkable downtown neighborhoods that contain unique arts, cultural heritage, sports and entertainment landmarks. It is also a great example of the greater good that comes from investing Federal, local and philanthropic dollars in new transportation options.

The 8-mile Indianapolis Cultural Trail used to be traffic lanes and parking spaces. It now carries cyclists and pedestrians and serves as a worldwide model. It has been profiled in the New York Times. It won a prestigious Pinnacle Award from the American Downtown Association, and it has been a centerpiece of numerous

articles listing Indy as a must-see city among all places in the world.

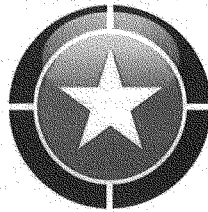
In the few short years since it has opened, the trail has attracted at least \$100 million in new investment to the city, that one trail alone. This trail and many other examples in cities across America demonstrate a bold new thinking toward urban transportation planning. A highway is still critical to moving goods to market. But if you want to attract workers to live in your city, you need sidewalks and bike lanes, greenways and so much more.

In this country, local governments have always been the cradle of innovation and partnership. That is certainly true in the area of urban infrastructure development. America's greatness is rooted in its never ending quest to discover new technologies and pushing the boundaries of the unknown. In the new American city that exploration will not require travel of a great distance. It will be a journey to discover the culture, the food, the music and the people that are just a walk, a bicycle ride or a short bus ride away.

Our future success in this endeavor requires strong partners and funding. I encourage you to continue our Nation's commitment to the Transportation Alternatives Program. Safe and viable options for people on bikes, transit and on foot are increasingly important in today's cities. And please keep those decisions in the hands of local leaders. The Cardin-Cochran Amendment has been very helpful in this regard.

Thank you for inviting me to speak with you today. I look forward to answering any questions that you may have.

[The prepared statement of Mayor Ballard follows:]



Indianapolis

Gregory A. Ballard, Mayor

**Testimony of the Honorable Gregory A. Ballard,
Mayor of the City of Indianapolis, Indiana
before the
Senate Committee on Environment and Public Works,**

March 27, 2014

**Testimony of the Honorable Gregory A. Ballard,
Mayor of the City of Indianapolis, Indiana
before the Senate Committee on Environment and Public Works
March 27, 2014**

Chairman Boxer, Ranking Member Vitter and distinguished members of the Committee, thank you for allowing me to join you today. I am Greg Ballard, Mayor of the City of Indianapolis, Indiana.

America's cities are preparing for a great revival. Many planners note that when our country built the interstate highway system starting back in the 1950's it enabled an exodus from urban areas to the suburbs. As we meet today, the tides of that population outflow are reversing and we are witnessing a re-migration to our cities.

For many decades transportation planning centered on the movement of people and goods between commercial and residential centers. Today, our cities face a much different transportation need – one of connecting people to each other and unique experiences.

New urban dwellers want to be connected to their neighborhood and their city through means other than a car. It is no longer a forgone conclusion that people will move to the suburbs and commute back to the city. A growing number of people are choosing to live local, shop local, and eat local. They want access to an authentic urban lifestyle and they want it right outside their front door.

Today I am asking this committee to support our cities as we seek to build the bike lanes, trails, and greenways that serve all the people who want to live, work and raise their families in the new American city.

Last month, Richard Florida wrote an article in *The Atlantic Cities* magazine about what entrepreneurs want when looking for a place to start a business.
(<http://www.theatlanticcities.com/jobs-and-economy/2014/02/what-cities-really-need-attract-entrepreneurs-according-entrepreneurs/8349/>)

“A city also needs to be able to appeal to the young and the restless. The entrepreneurs surveyed were a highly mobile bunch when they first started out. They moved often and easily in the early phases of their careers, following personal ties or certain lifestyle amenities while also seeking the right environment to launch their enterprises. But eighty percent of respondents had lived in their current city for at least two years before launching their companies, meaning that cities had to catch them early. And once they started their first company, these business leaders rarely moved. So attracting this mobile group at an early age is key.”

The battle for the future of American cities will be won by the place that attracts and retains talent and it is clear from that Endeavor data reported by *The Atlantic Cities* those people want a high quality of life.

"Endeavor tracked more than 100 of the most common descriptive words that entrepreneurs used to answer the question, "Why did you choose to found your company in the city that you did?" Tax doesn't make the top 50, falling below "rent," "park," "restaurants," and "schools." In fact, it barely manages to edge out the word "girlfriend." Of the top ten most popular words, "lived," "live," and "living" all make the cut. Talent takes the first slot."

Indy is attracting national and worldwide attention for making the infrastructure investments that attract people to our city. In 2011, the highly respected trade publication *Engineering News Record* profiled Indianapolis in its cover story for reengineering its combined sewer overflow decree with the U.S. Environmental Protection Agency that resulted in \$740,000,000 in savings and reduced construction time by years thereby resulting in cleaner water faster and cheaper. (http://enr.construction.com/infrastructure/water_dams/2011/0209-csoconsentdecree-2.asp)

Fresh of that success, Indianapolis transferred ownership of its water and wastewater utility to a century-old charitable utility trust savings hundreds of millions of dollars for ratepayers through new efficiencies and lower future utility rates. The City also used the proceeds from this transfer to invest more than \$500,000,000 in street, sidewalk, trail, greenway, bridge and parks improvements. The plan, called RebuildIndy, is transforming neighborhoods and investing in the amenities that people want when seeking a place to live and do business.

The Indianapolis Cultural Trail connects six historic, walkable downtown neighborhoods that contain unique arts, cultural heritage, sports, and entertainment landmarks. It is also a great example of the greater good that comes from investing federal, state, local and philanthropic dollars in new transportation options.

The eight-mile Indianapolis Cultural Trail used to be traffic lanes and parking spaces. It now carries cyclists and pedestrians and serves as a worldwide model. It has been profiled in the *New York Times*. (<http://indyculturaltrail.org/2014/03/05/in-indianapolis-a-bike-path-to-progress/>)

It won a prestigious "Pinnacle Award" from the American Downtown Association. (<http://indyculturaltrail.org/2013/10/15/indianapolis-cultural-trail-recipient-of-a-2013-downtown-pinnacle-award-by-the-international-downtown-association/>)

And, it has been the centerpiece of numerous articles listing Indy as a must-see city among all places in the world. (<http://indyculturaltrail.org/2013/08/29/bold-moves-and-brave-actions/>) (<http://nyti.ms/19iFvGz>)

In the few short years since it opened, the trail has attracted at least \$100-million dollars in new investment to the city. In fact, just last week we approved a new 28-story residential and retail tower on a lot that fronts the trail in downtown Indianapolis.

This trail and many other examples in cities across America demonstrate a bold new thinking toward urban transportation planning. A highway to a new factory may still be critical to attracting new jobs and moving those goods to market... but if you want to attract that facility's

workers to live in your city, you need sidewalks, bike lanes, greenways and so much more. Indianapolis has used past federal funding through this program and its predecessors to construct the Monon Rail Trail, the Fall Creek Trail, White River Greenway Trail south, Pensey Trail, Illinois and Capital Bike Lanes, and Washington Street pedestrian enhancements in Irvington. All of these projects are aligned with a focus on retaining and attracting residents to Indianapolis. About one month ago, I delivered the 2014 State of the City address which entirely focused on making Indy a more desirable place to live.

This address and its accompanying strategic plan details over 60 policy items in the areas of public safety, education, neighborhood improvements, economic development and culture. Indy is investing in its city and taking the steps necessary to encourage people to "Live Indy." (<http://www.indy.gov/eGov/Mayor/Documents/2014/2014%20SOTC%20-%20FINAL%20Print.pdf>)

In this country, local governments have always been the cradle of innovation and partnership. That is certainly true in the area of urban infrastructure development.

America's greatness is rooted in its never-ending quest to discover new technologies, new lands and pushing the boundaries of the unknown. In the new American city, that exploration will not require travel of great distance; it will be a journey to discover the culture, food, music and people right outside our door.

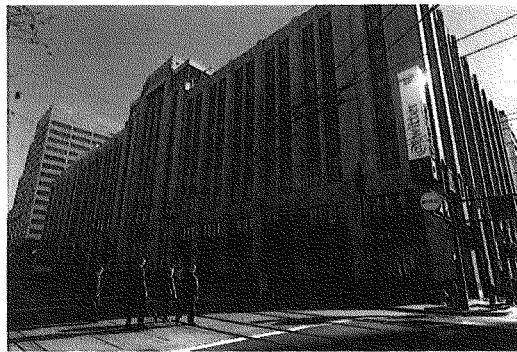
Our future success in this endeavor requires strong partners and funding. I encourage this committee to continue our nation's commitment to the Transportation Alternatives Program, funding all modes of transportation, with the understanding that safe and viable options for people on bikes, transit and on foot are increasingly important in today's cities—and please keep those decisions in the hands of local leaders.

Chairman Boxer and Members of the Committee, again thank you for inviting me to speak with you today. I look forward to answering any questions you may have during this hearing.



What Cities Really Need to Attract Entrepreneurs, According to Entrepreneurs

RICHARD FLORIDA FEB 11, 2014 103 COMMENTS



Creating high-growth, high-impact entrepreneurial enterprises has become a common goal of cities. Metros and states have cut taxes, implemented entrepreneur-friendly business policies, launched their own venture capital efforts, and underwritten incubators and accelerators – all in the hope of creating the next Apples, Facebooks, Googles, and Twitters.

But what really attracts innovative entrepreneurs who create these economy-boosting companies?

The answers: talented workers, and the quality of life that the educated and ambitious have come to expect – not the low-tax, favorable-regulation approach that many state and local governments tout.

These are the findings in a new report from Endeavor Insight, the research department of the non-profit Endeavor, which focuses on fostering and mentoring “high-impact” entrepreneurs. Based on surveys and interviews with 150 founders of some of the country’s fastest-growing companies, the report answers the basic question, “what do the best entrepreneurs want in a city?” It offers basic evidence that cities should focus on factors and conditions that attract the talented, educated workers that fast-growing entrepreneurial enterprises need.

Entrepreneurs
look for
talented
workers and
the amenities
that these
workers like.

Looking at this sample of America’s most successful new businesses, Endeavor identified two fundamental patterns.

For one, size matters. These top business-creators gravitated towards cities with at least a million residents in the metro area. This offered the scale and diverse array of offerings needed to attract talent.

A city also needs to be able to appeal to the young and the restless. The entrepreneurs surveyed were a highly mobile bunch when they first started out. They moved often and easily in the early phases of their careers, following personal ties or certain lifestyle amenities while also seeking the right environment to launch their enterprises. But eighty percent of respondents had lived in their current city for at least two years before launching their companies, meaning that cities had to catch them early. And once

What Cities Really Need to Attract Entrepreneurs, According to Entrepreneurs - Richard ... Page 2 of 3

they started their first company, these business leaders rarely moved. So attracting this mobile group at an early age is key.

The report then dug deeper into exactly what these entrepreneurs reported as the most important part of their location choices.

The top rated factor by far was access to talent. Nearly a third of those surveyed mentioned it as a key factor in their decisions for where to live and work (many specifically prized access to technically trained workers). Entrepreneurs explained that they proactively sought out the places that educated and ambitious workers want to be.

As one Seattle-based entrepreneur put it:

"Employees want to live and work here. We knew that when we moved here and later started the company"

Or as another based in Boston explained:

"I chose Boston because of the cultural life: symphony, colleges, theater, beautiful architecture, etc. These things attract the kind of intelligent people we'd like to employ."

The study found that two other key factors in the location choices of entrepreneurs are major transportation networks (like airports and highways that can connect them to other cities) and proximity to customers and suppliers. This echoes MIT's Eric von Hippel's claim that end-users and customers are key innovators.

Perhaps even more interesting from the perspective of urban policy are the location factors that did not make the cut -- those that high-growth entrepreneurs found to be of little consequence in their location decisions. At the very bottom of the list were taxes and business-friendly policies, which are, unfortunately, exactly the sorts of things so many states and cities continue to promote as silver bullets. Just 5 percent of the respondents mentioned low taxes as being important, and a measly 2 percent named other business-friendly policies as a factor in their location decisions.

Just 5 percent
of those
surveyed
mentioned
low taxes.

To drive this point home, Endeavor tracked more than 100 of the most common descriptive words that entrepreneurs used to answer the question, "Why did you choose to found your company in the city that you did?" Tax doesn't make the top 50, falling below "rent," "park," "restaurants," and "schools." In fact, it barely manages to edge out the word "girlfriend." Of the top ten most popular words, "lived," "live," and "living" all make the cut. Talent takes the first slot.

The report's conclusion is clear, and I agree. "The magic formula for attracting and retaining the best entrepreneurs is this," they explain: "a great place to live plus a talented pool of potential employees, and excellent access to customers and suppliers."

Top Image: San Francisco Mayor Ed Lee, third from bottom left, crosses Market Street in front of Twitter Headquarters Monday, Nov. 4, 2013. Twitter is part of a wave of tech companies returning to the city of San Francisco proper (AP Photo/Jeff Chiu).

Keywords: Entrepreneurs, Creative Class, Businesses, Taxes, Start-Ups, Moving



Richard Florida is Co-Founder and Editor at Large at The Atlantic Cities. He's also a Senior Editor at The Atlantic, Director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, and Global Research Professor at New York University. He is a frequent speaker to communities, business and professional organizations, and founder of the Creative Class Group, whose current client list can be found here. All posts »

Don't miss the latest from Cities -- subscribe to our daily email

Around The Web

Sponsored Content by Taboola



Indianapolis Cultural Trail

Improving Livability in Central Indiana

Overview

In recent years, Indianapolis has been listed as having the best business climate in the Midwest, one of the top ten metropolitan areas with the best cost of living, and one of the best cities to relocate to in America.^{1,2,3} These accolades follow years of livability investments aimed at creating a livelier downtown and a more cohesive city identity. Since 2001, the Cultural Development Commission has advanced a comprehensive economic development strategy for downtown to anchor the city's neighborhoods. The commission designated six "cultural districts" – historic, walkable neighborhoods within downtown Indianapolis – that contain unique arts, cultural, heritage, sports, and entertainment landmarks.⁴ To complement and link these downtown destinations, city leaders initiated development of an eight-mile Indianapolis Cultural Trail in 2006, converting traffic lanes and parking spaces into a dedicated off-road trail for bicyclists and pedestrians.⁵ The city planned additional redevelopment projects concurrent with the Cultural Trail, including revitalization of the downtown Market Square area to be more attractive to businesses, and revisions to downtown zoning regulations to facilitate mixed-use opportunities, increase brownfield redevelopment, and moderate parking requirements.

"We are already seeing tens of millions of dollars invested into new buildings, both commercial and residential, where the developers are quoting that the reason for their development is the Indianapolis Cultural Trail."
 Brian Payne, president, Cultural Indiana Community Foundation

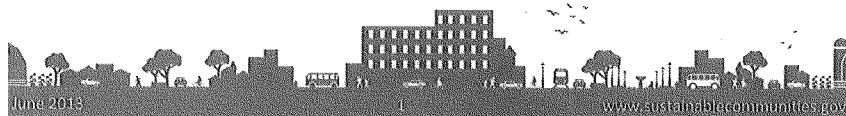
Even before the Cultural Trail's completion in 2012, Indianapolis' investments in the city's core accelerated economic growth downtown, creating jobs and attracting young professionals and new businesses seeking a more convenient and appealing location in the heart of the state's largest employment center.⁶ The downtown development strategy, coupled with the increased access to downtown destinations, has helped bring additional new attractions and investment to the area⁷ such as:

- Creation of more than **11,000 jobs** and economic benefits exceeding **\$863 million** through direct construction, private sector investment along the trail, and expanded tourism;⁸
- **\$21.4 million** in fuel saving over the next 25 years as walking and cycling offset local vehicle miles traveled (VMT) by 83 million miles;⁹ and,
- Increasing property values along the Cultural Trail up to **\$45 million**.¹⁰

With funding from the Department of Housing and Urban Department (HUD), the Department of Transportation (DOT), the Environmental Protection Agency (EPA), and the Department of Energy (DOE), Indianapolis continues to build momentum downtown. The city is further expanding transportation options; creating more attractive, accessible public spaces; and increasing affordable housing downtown. These investments and initiatives reinforce the foundation of diverse, thriving, and livable neighborhoods.

The Partnership agencies incorporate six principles of livability into Federal funding programs and policies to support locally developed projects:

- Provide more transportation choices.
- Promote equitable, affordable housing.
- Enhance economic competitiveness.
- Support existing communities.
- Coordinate policies and leverage investment.
- Value communities and neighborhoods.



June 2013

1

www.sustainablecommunities.gov



Such coordinated investments align with the mission of the Partnership for Sustainable Communities (Partnership), through which several grants were awarded to Indianapolis. The Partnership is a cooperative initiative between HUD, DOT, and EPA that coordinates Federal housing, transportation, and other infrastructure investments in order to make neighborhoods more prosperous, reduce pollution, and enable people to live closer to jobs. It helps communities improve access to affordable housing, increase transportation options, and lower transportation costs while protecting the environment. The Partnership agencies incorporate six principles of livability into Federal funding programs and policies to support locally developed projects.¹¹

Capturing Momentum

Constructing a trail to encourage economic development downtown was not a new strategy for Indianapolis; it built on the proven success of a nearby investment in pedestrian and bicycle infrastructure. The heavily-used 15.6-mile Monon Trail, a converted rail bed, runs north from downtown Indianapolis, past the Indianapolis Art Center in Broad Ripple Village (a designated cultural commercial district), schools, parks, State fairgrounds, and suburban residential neighborhoods.¹² The first segment of the Monon Trail was funded with over \$7 million in Federal Highway Administration (FHWA) Transportation

"It may not have sand and crashing waves, but the Monon Trail is the equivalent of beachfront property in the Indianapolis area."
Bill Ruthford, *Indianapolis Star*,
November 23, 2003

Enhancements grants¹³ and opened in 1999. It recorded more than 1.2 million users in its first year, making this urban greenway one of the busiest in the nation. Homes within one-half mile of the trail sell for an average of 11 percent more than comparable homes farther away¹⁴ and 2003 study estimated the overall impact of Marion County's trails on property values at more than \$140 million.¹⁵ The precedent set by the Monon Trail assured developers that their investments in the Cultural Trail and surrounding area were reasonable and worthwhile.

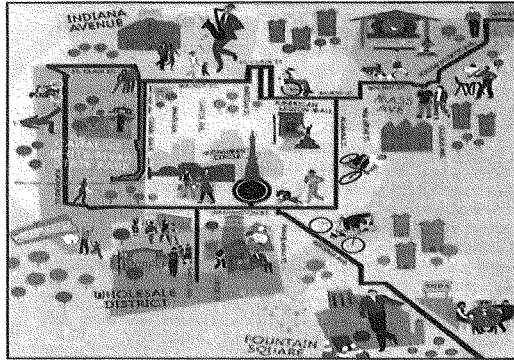
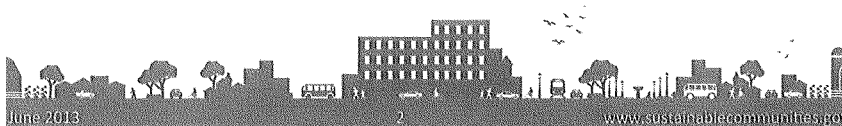


Figure 1: Map of the Indianapolis Cultural Trail and surrounding Cultural Districts. [Source: <http://midwestmla.org/ConnectMidwest/2011/09/29/post-578/>]

In downtown, other seeds of revitalization were planted well before completion of the Cultural Trail. In 1995, the Circle Centre shopping and entertainment complex opened with funding from a mix of private and public sources, including over \$187 million from the city of Indianapolis and \$17 million from HUD.¹⁶ This project triggered development of new corporate headquarters, hotels, residences, and shops downtown,¹⁷ including 150 new restaurants since 2000.¹⁸ Indianapolis is now working to improve its infrastructure and street-level experience to capitalize on this concentration of investments. The Cultural Districts Program highlights key locations in the city's downtown, and the Indianapolis Cultural Trail knits them together.





Maximizing the Economic Benefits of the Cultural Trail

Local citizens and businesses alike supported the development of the Cultural Trail, anticipating the quality-of-life and economic benefits it would bring to downtown and beyond. The Cultural Trail was funded through a public-private partnership between the city of Indianapolis and the Central Indiana Community Foundation, a philanthropic and leadership organization serving Indianapolis for nearly 100 years. The Cultural Trail cost \$62.5 million to construct. After investing \$15.5 million of Federal transportation funding and \$26.5 million in contributions from private individuals, foundations, and local corporations¹⁹ into the project and completing three miles of the trail, Indianapolis was awarded a \$20.5 million Transportation Investment Generating Economic Recovery (TIGER) grant in 2010, administered through the DOT.

Developers began purchasing and developing land adjacent to the greenway long before its completion, both in stable neighborhoods as well as those with multiple abandoned or vacant properties. Between 2007 and 2010, over \$17.5 million of new commercial building permits and \$36.4 million residential building permits were filed within one-half mile of the Cultural Trail,²⁰ adding new retail, dining, and tourist establishments to the area. Several nearby existing businesses expanded to accommodate the growing demand for destinations close by. Indianapolis anticipates that the Cultural Trail will lead to more than 11,000 new jobs in the city and will yield economic benefits from construction, private sector investment, and increased tourism to exceed \$863 million.²¹

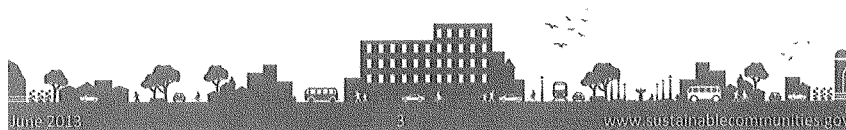
New businesses in close proximity to the Cultural Trail range from small locally-run shops to large-scale mixed-use developments. Small businesses adjacent to the Trail are flourishing. For example, Calvin Fletcher's Coffee Company, a local coffee shop, relocated to a larger space along the Trail to accommodate the jump in business as a result of the Trail in recent years.²² Tom Battista, a local developer, owns properties on both Virginia Avenue and Massachusetts Avenue. When he bought two properties on Massachusetts Avenue, only three people worked in them. Now there are over 70 employees working in those buildings for almost exclusively locally-run businesses.²³

One anchor of downtown's revitalization includes CityWay, a \$155 million development just one block from the Trail. The city entered into a public-private partnership with the Eli Lilly and Company, Buckingham Companies, Dolce Hotels and Resorts, and the YMCA of Greater Indianapolis to create 250 market-rate apartments, a 209-room hotel, and 10 restaurants and shops.²⁴ CityWay is expected to create 2,800 temporary and permanent jobs and generate \$350 million through consumer spending and new workers' salaries over a five-year period.²⁵ The development also includes public parks and plazas.²⁶

"[The tax revenue] is going to give us some flexibility and allow us to do some good projects with the development of downtown."
Devon Kintner, Executive Director of the Indianapolis Public Improvement Bond Bank

New development continues to spur additional investment downtown. In 2012, tax revenue from new development in the area allowed Indianapolis to re-invest in projects downtown. Funds collected through the downtown's tax-increment financing district must be spent on economic development projects in the downtown area or used to pay off the city's debt. The additional \$12.1 million raised in 2011 contributed to several renovations projects, including supplemental funding for the Indianapolis Convention and Visitors Association, City Market (a historic marketplace downtown) renovations, and sewer and street improvements near CityWay.²⁷

Local businesses and corporations expect the Trail to attract customers, and to attract workers in all sectors, ranging from the retail and services industries employees to acclaimed research and business fields. The increased foot traffic and access provided by the Indianapolis Cultural Trail benefits existing businesses and draws new ones, attracts tourists who now view downtown Indianapolis as a destination unto itself, and appeals to large employers seeking to recruit young, educated, creative class workers.





To further support and incentivize this type of growth, Indianapolis is revising downtown zoning regulations.²⁸ In 2010, Indianapolis received \$1.2 million through a **HUD Community Challenge Planning Grant** to comprehensively update the city's zoning ordinances and related development regulations to better reflect current needs and improve quality of life. The project, **Indy Rezone**, will update zoning codes to

"Today's knowledge worker demands distinctive natural, recreational, cultural and lifestyle amenities when selecting a place to live, work, and play. The Cultural Trail connects all these demands."
Dr. John Lechleiter, Cultural Trail donor and CEO of Eli Lilly and Company

facilitate mixed-use opportunities, increase brownfield redevelopment, and moderate parking requirements to encourage walking. This effort reflects the city's commitment to livability and long-term vision. Through the work of six Technical Task Forces, Indy Rezone will help Indianapolis increase gross density, leading to decreased pollution, fewer vehicle miles traveled, and lower green-house gas emissions,²⁹ as well as improve public health as a result of better air quality and increased physical activity. The project team plans to produce a final version of proposed ordinances in spring 2014.³⁰

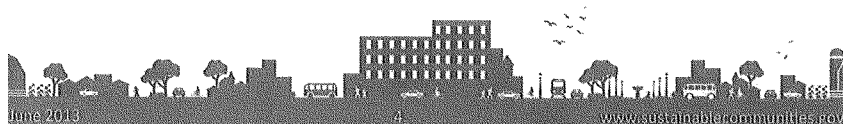
Expanding Transportation Choices

When Indianapolis hosted the Super Bowl in 2012, the city was praised for the walkability of the downtown. Visitors could conveniently travel between hotels, restaurants, and Lucas Oil Stadium,³¹ all on the Cultural Trail and downtown sidewalks. This is consistent with the growing trend of Indianapolis residents and visitors spending more time downtown. Annual attendance at major downtown leisure attractions has increased by 83 percent since 1994 to 8 million annual visits³² – a result, in part, of the city's strategic investments to expand transportation options downtown. The investments and grants discussed below describe additional projects that build upon and support the success of the downtown Cultural Trail strategy:



Figure 2: The Cultural Trail [Source: <http://www.reosite.com/projects/indianapolis-cultural-1>]

- The DOE awarded Indianapolis with an Energy Efficiency and Conservation Block Grant (EECBG) in 2010 to construct 17 miles of bicycle lanes on existing city streets, through urban and suburban neighborhoods with both commercial and residential properties along the routes.³³ The corridors with striped bicycle lanes create important connections to the Cultural Trail, as well as between the existing downtown bicycle network and the city's existing 30 miles of greenway.³⁴
- The city reconstructed three blocks of Georgia Street in downtown Indianapolis. Constructed in 2012 with \$10 million in Federal transportation funding and \$2.5 million in city and State funds, the project decreased the number of travel lanes from four to two and added a pedestrian promenade in the median. It also included bicycle racks, pedestrian way-finding and historical signage.³⁵
- In August 2012, The Indianapolis Metropolitan Planning Organization, in cooperation with Indianapolis Public Transit Corporation (IndyGo), received \$2 million from the Federal Transit Administration (FTA) to conduct a regional alternatives analysis for the implementation of bus rapid transit (BRT) along East-West and North-South corridors in Central Indiana, including downtown Indianapolis, the Indianapolis International Airport, and the region's second largest city, Carmel.^{36 37} The study area has a high level of need, as defined by the high number of transit-dependent and low-income households.³⁸ The system will better connect these residents and communities to downtown Indianapolis and to jobs, and the Trail will connect them to downtown amenities once they arrive.





"A vibrant urban community is its mobility options. Having the convenient connectivity of transit to bike and pedestrian paths is a demonstration of forward thinking multi-modal planning."
 Michael Terry, president and CEO of IndyGo. <http://www.indyculturaltrail.org/testimonials.html>

Prior to the construction of the Cultural Trail and these related investments, many corridors in downtown Indianapolis did not have sidewalks. One third of the total Cultural Trail project funding replaced city infrastructure that otherwise would not have been improved, including one mile of a two-lane roadway and eight miles of sidewalk. Connections between the Cultural Trail, the city's bicycle

and pedestrian network, and IndyGo allow residents and visitors to easily move throughout the region and downtown. Nearly 30 downtown IndyGo bus routes – all equipped with bicycle racks – intersect the Trail, allowing bus passengers the option to ride the bus with their bicycle and commute by bicycle or foot once downtown.

In addition to providing connections to transit, the Cultural Trail and other recent transportation investments also link the previously established pieces of Indianapolis' trail system. Before, existing trails were isolated and they terminated at the edge of downtown. With the Cultural Trail connecting to over 20 miles of off-street trails, bicyclists and pedestrians can now access downtown as well as surrounding neighborhoods. Over the next 25 years, use of the Cultural Trail is projected to replace over 300,000 annual vehicle trips with bicycle and pedestrian trips,³⁹ generating \$21.4 million in fuel saving and decreasing VMT in the city by 83 million miles.⁴⁰

Revitalizing Underused Infrastructure

Indianapolis works to efficiently use the land alongside and in close proximity to its trail system and to convert it to sustainable uses. This approach has made the Cultural Trail one of the largest environmental improvement projects in Indianapolis history. The Cultural Trail replaces asphalt and concrete with 522 new trees, 220,000 square feet of new landscaping, and the city's first stormwater planters, diverting 58,000 gallons of water per rain event.⁴¹ The planters improve downtown's resiliency during major weather events and address potential flooding from combined wastewater and sewage overflow, diverting over 2.6 million gallons per year.

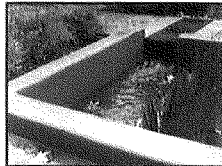
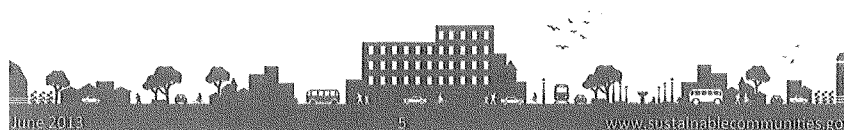


Figure 3: Stormwater Planter in Portland, OR, a model for the Indianapolis planters
 (Source: <http://www.indyculturaltrail.info/assets/documents/StormwaterPlanters.pdf>)

Indianapolis learned the benefits of cleaning and utilizing land adjacent to trails from its investments related to the Monon Trail. In 2005, the city received a \$200,000 EPA Brownfields Assessment Grant to inventory abandoned industrial brownfield sites, conduct site assessments, and perform human health and risk assessments in three areas – including the Monon Trail Greenway corridor.⁴² The area benefited from the redevelopment of these properties, both in terms of safety and economic development. Once redeveloped, illicit activities occurring in abandoned industrial facilities ceased,⁴³ and the area within six blocks of the greenway experienced \$500 million of investment as a result of the trail's construction.⁴⁴ The city delineated a ¼-mile Smart Growth Redevelopment District (SGRD) northeast of downtown, and along the Monon Trail, encompassing neighborhoods challenged by illegal dumping, abandoned lots, illicit activity, and a concentration of brownfields.

A city-developed SGRD plan guides the sustainable revitalization of this area, including environmental assessments and cleanup for housing, economic development, transportation, and recreational uses.⁴⁵ In 2010, it became one of five EPA Brownfields Pilot projects. This additional funding supported the local initiative, helping the city to implement its SGRD plan. One objective of the pilot is to increase use of the Monon Trail within the SGRD, to remove physical and psychological barriers to activity in the area, and maximize the benefits of the brownfields redevelopment.





"Our philosophy is to route the Trail to about 70 percent to what is already great and 30 percent to places that need some extra inspiration and support."

Brian Payne, president, Central Indiana Community Foundation

Indianapolis is also working to make the downtown Market Square Redevelopment Area more usable and attractive to businesses. The city plans to revitalize the public plaza and enhance walkability in and around the area using a *Greening America's Capitals* technical assistance grant from the EPA.⁴⁶ The project site for the grant is in close proximity to the Cultural Trail, and linkages between the site and Trail are being discussed, such as how to incorporate design themes from the Cultural Trail into the plaza design.⁴⁷

Meeting Local Housing Needs

The downtown neighborhoods surrounding the Indianapolis Cultural Trail include both affluent and low-income communities.⁴⁸ As a result of the Cultural Trail and related transportation infrastructure investments, people are returning to the existing housing stock in downtown Indianapolis, and developers are constructing additional market-rate and affordable housing near the trail. Between 2001 and 2009, the city's population increased by 65,000 people, a growth rate 50 percent greater than the national average.⁴⁹ The 2010 census indicates growth in specific downtown neighborhoods, including along Massachusetts Avenue, a mixed-use corridor known for its arts scene. This is one of the city's most densely populated neighborhoods, and its growth over the past 10 years demonstrates the importance of walkability and access to area residents.⁵⁰ The Cultural Trail was strategically located to enhance such features in this and other neighborhoods.

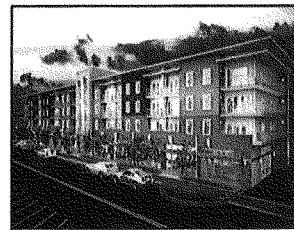


Figure 4: Rendering of Trailside on Mass Ave [Source: <http://trailsideonmass.com/>]

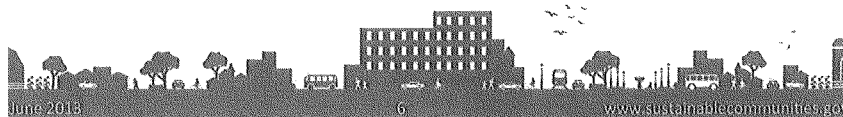
Almost 90% of Indianapolis sales are affordable to the median income-earning household. Those earning that salary need under two years of gross salary to buy a home within the city.

Property values in neighborhoods along the trail are expected to rise by up to \$45 million.⁵¹ This rise in property value demonstrates both an interest in the area, as well as a need for designated affordable properties in the area. *Forbes* identified Indianapolis as the most affordable housing market in the country,⁵² something the city is working to maintain for its residents.

Developed by the Riley Area Housing Corporation, Trailside on Mass Ave includes about 70 affordable one-bedroom units, and retail and office space on the first floor of the complex.⁵³ Facing directly onto the Trail, the project received \$1.826 million in American Recovery and Reinvestment Act (ARRA) Competitive Capital Funds and \$500,000 in HOME Investment Partnerships Program funding.⁵⁴ The proximity of this downtown location, combining affordable housing and access to support services, offers a unique opportunity to residents and provides walking and bicycle access to thousands of jobs. Including the funds allocated to the Trailside on Mass project, HUD has administered over \$22 million in ARRA Competitive Capital Funds to construct or improve over 1,000 affordable housing units in downtown Indianapolis in recent years.⁵⁵

Relationship to Partnership Principles

The influx of commercial and residential development in downtown Indianapolis as a result of the Indianapolis Cultural Trail and recent transportation and zoning projects demonstrates how coordinated and targeted Federal investment can generate significant momentum for private investment, from large-scale developments to the creation and expansion of small businesses. The benefits relate directly to the principles of the Partnership for Sustainable Communities, as outlined below.





Provide More Transportation Choices

- The Indianapolis Cultural Trail serves as a central hub to the city's bicycle network, improving safety for bicyclists and pedestrians to travel both into and around downtown.
- The city plans to develop BRT along the major North-South and East-West corridors in the county, allowing county residents living outside of downtown easy access to the Trail and the amenities along it.
- An increase in transit, bicycling, and walking opportunities enables more car-free trips for longer distances and expands the mobility opportunities for Indianapolis residents and visitors.

Promote Equitable, Affordable Housing

- In recent years, Indianapolis has constructed or improved over 1,000 affordable housing units downtown, using \$22 million in ARRA Competitive Capital Funds.⁵⁶
- Trailside on Mass, developed by a local housing corporation, provides 70 affordable housing units directly on the Trail.

Enhance Economic Competitiveness

- The Trail is expected to lead to more than new 11,000 jobs and economic benefits exceeding \$863 million through direct construction, private sector investment along the trail, and an expansion of tourism.⁵⁷
- Both small, local businesses and national corporations have established storefronts and offices along the Trail, by relocating, expanding, or starting new companies.
- By improving the city's quality of life, the Indianapolis Cultural Trail will attract young families and creative class workers to the research facilities and major corporations housed in Indianapolis.

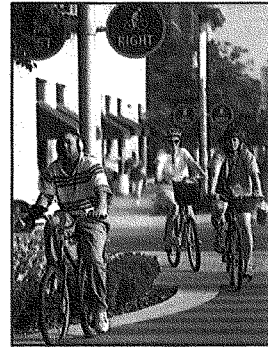


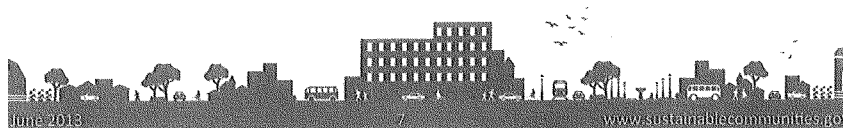
Figure 5: Indianapolis Cultural Trail [Source: <http://www.reesite.com/projects/indianapolis-cultural-trail/>]

Coordinate Policies and Leverage Investment

- The city was able to allocate \$12.1 million spend to local projects, including additional funds for the city's visitor association and streetscape and sewer improvements near the Indianapolis cultural Trail.⁵⁸
- Indianapolis is using \$1.2 million of HUD funding to update the city's zoning ordinances and related development regulations to facilitate mixed-use opportunities, moderate parking requirements, and improve streetscape infrastructure to encourage walking.

Summary

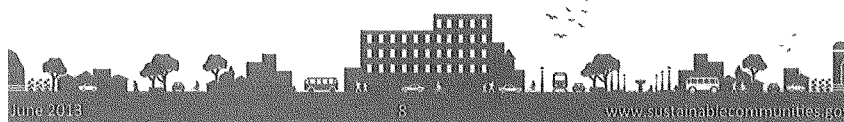
Encouraging walking, bicycling and transit rather than driving, the Cultural Trail and related downtown transportation infrastructure projects not only brings more people downtown, but it increases the circulation and length of time that people spend in the central city, visiting local businesses, restaurants, and cultural attractions. Coordinated investment in downtown Indianapolis brings profits to existing businesses and draws new ones as a result of the increased access to their establishments; attracts tourists who now view downtown Indianapolis as a destination unto itself; and appeals to large employers seeking to recruit young, creative class workers.





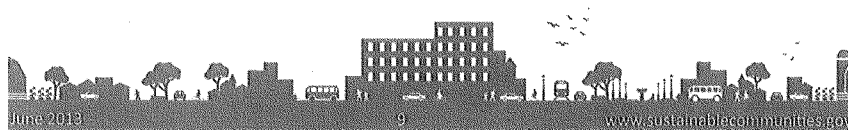
All images included in this document were drawn from publicly accessible sources, which are referenced below.

1. "Rankings for Indianapolis Area, Indiana." <http://www.bestplaces.net/rankings/metro/indiana/indianapolis> (accessed February 26, 2013).
2. "International/Global Economic Profile". Develop Indy. <http://www.developindy.com/international/global-economic-profile.aspx> (accessed February 26, 2013).
3. "Resources/Competitive Advantages" Develop Indy. <http://www.developindy.com/resources/competitive-advantages.aspx> (accessed February 26, 2013).
4. Indianapolis Cultural Trail. <http://indyculturaltrail.org/blog/> (accessed January 9, 2013).
5. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
6. Inside Indianapolis Business. <http://www.insideindianapolisbusiness.com/newsitem.asp?ID=42250#middle> (accessed January 7, 2013).
7. Kent, Ethan. "Indianapolis Paves the Way for Bikes and Pedestrians." Streetsblog. October 15, 2007. <http://www.streetsblog.org/2007/10/15/indianapolis-paves-the-way-for-bikes-and-pedestrians/> (accessed January 16, 2013).
8. Inside Indianapolis Business. <http://www.insideindianapolisbusiness.com/newsitem.asp?ID=42250#middle> (accessed January 7, 2013).
9. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
10. Ibid.
11. For detailed information on these funding opportunities, please see www.epa.gov/smartgrowth/pdf/2010_0506_leveraging_partnership.pdf (accessed April 4, 2012).
12. "Trail of the Month: March 2009 – Indiana's Monon Trail" Rails-to-Trails Conservancy. <http://www.railstotrails.org/news/recurringfeatures/trailmonth/archives/0903.html> (accessed January 10, 2013).
13. "Monon Trail – Monon Greenway". National Transportation Enhancements Clearinghouse. <http://www.enhancements.org/certificate/TEEClist.asp> (accessed January 22, 2013).
14. Flusche, Darren. "The Economic Benefits of Bicycle Infrastructure Investments." League of American Bicyclists. http://www.bikeleague.org/resources/reports/pdfs/economic_benefits_bicycle_infrastructure_report.pdf (accessed January 9, 2013).
15. Ibid.
16. Circle Center Mall, Indianapolis History." Circle Center Mall Online. <http://www.circlecentermall.com/circle-center-mall-indianapolis-history.html> (accessed January 16, 2013).
17. "Indianapolis' nationally lauded Downtown renaissance continues" Indianapolis Downtown Inc. <http://www.indydt.com/revitalizationbackgrounder.cfm> (accessed January 16, 2013).
18. Ibid.
19. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
20. Ibid.
21. Inside Indianapolis Business. <http://www.insideindianapolisbusiness.com/newsitem.asp?ID=42250#middle> (accessed January 7, 2013).
22. Battista, Tom. Personal Interview. January 13, 2013.
23. Hoppe, David. "Tom Battista: Venture developing with panache." Nuvo, Indy's Alternative Voice. <http://www.nuvo.net/indianapolis/tom-battista-a-venture-developer-with-panache/content?oid=2492435&showfullText=true> (accessed January 11, 2013).
24. "CityWay". The Official Website of the City of Indianapolis and Marion County. <http://www.indy.gov/eGov/Mayor/Initiatives/Pages/CityWay.aspx> (accessed January 15, 2013).
25. Ibid.
26. Adams, John. "Pedestrian Friendly CityWay." CityWay. September 12, 2012. <http://www.cityway.com/blog/discover-the-cityway-of-life/2012/09/12/pedestrian-friendly-cityway> (accessed January 15, 2013).
27. Jarosz, Francesca. "Downtown tax district reaps unexpected windfall." Indianapolis Business Journal Online. September 29, 2010. <http://www.ibj.com/downtown-tax-district-reaps-windfall/PARAMS/article/22563> (accessed January 14, 2013).
28. "What Is Indy Rezone" Indy Rezone. <http://www.indyrezone.org/content/what-indy-rezone> (accessed January 9, 2013).
29. "HUD FY2010 Community Challenge Planning Grants Summaries." Department of Housing and Urban Development. http://portal.hud.gov/hudportal/documents/huddoc?id=FY10_CommChallPlanGrantSum.pdf
30. "Timeline". Indy Rezone. <http://www.indyrezone.org/content/timeline> (accessed January 9, 2013).
31. Benfield, Kaid. "A second winner at this year's Super Bowl: the walkable downtown". Switchboard: National Resources Defense Council Staff Blog. February 10, 2010. http://switchboard.nrdc.org/blogs/kbenfield/the_second_winner_at_this_year.html (accessed January 16, 2013).
32. "Indianapolis' nationally lauded Downtown renaissance continues" Indianapolis Downtown Inc. <http://www.indydt.com/revitalizationbackgrounder.cfm> (accessed January 16, 2013).
33. "Recovery Act: City of Indianapolis EECBG Bikeway Project". Department of Energy. April 22, 2010. http://www.eere-pmc.energy.gov/NEPA/NEPA_ef2a.aspx?key=10250 (accessed March 1, 2013).
34. Ibid.
35. "2012 Accomplishments Report" Federal Highway Administration. <http://www.fhwa.dot.gov/indiv/perform04.htm> (accessed January 22, 2013).
36. "Alternatives Analysis Project Descriptions" Federal Transit Administration. October 17, 2011. http://www.fta.dot.gov/documents/AA_descriptions_final.pdf (accessed March 6, 2013).





37. Ibid.
38. "Applicant and Proposal Profile (Alternatives Analysis Program)". Federal Transit Administration.
39. Heil, Larry. Personal Interview. December 1, 2012.
40. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
41. Ibid.
42. "Brownfields 2005 Assessment Grant Fact Sheet: Indianapolis, IN" Environmental Protection Agency. http://cfpub.epa.gov/bf_factsheets/dfs/index.cfm?xpg_id=2572&display_type=HTML (accessed January 22, 2013).
43. "Proposal Submission for United States Environmental Protection Agency (EPA) Community Wide Brownfield Assessment Grant by the City of Indianapolis". City of Indianapolis. November 10, 2004. <http://indy.gov/eGov/City/DMD/ED/Brownfields/PDF/Indianapolisproposal.pdf> (accessed January 22, 2013).
44. "Monon Trail – Monon Greenway". National Transportation Enhancements Clearinghouse. <http://www.enhancements.org/certificate/TEEClist.asp> (accessed January 22, 2013).
45. "Partnership for Sustainable Communities Brownfields Pilots – Indianapolis, IN". Environmental Protection Agency. http://www.epa.gov/brownfields/sustain_plts/factsheets/osc_fs_indianapolis_in.pdf (accessed January 14, 2013).
46. "Greening America's Capitals". Environmental Protection Agency. <http://www.epa.gov/dced/greencapitals.htm#mass> (accessed March 5, 2013).
47. Grosshans, Jon. Personal Interview. November 30, 2012.
48. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
49. Renn, Aaron. "Midwest Success Stories". Newgeography. March 18, 2010. <http://www.newgeography.com/content/001470-midwest-success-stories> (accessed January 17, 2013).
50. Meckstroth, Greg. "Census Reveals Hoosiers Increasingly Desire Walkable Neighborhoods". Urban Indy. March 1, 2011. <http://www.urbanindy.com/2011/03/01/initial-reactions-to-2010-census-census-reveals-hoosiers-increasingly-desire-walkable-neighborhoods/> (accessed January 16, 2013).
51. Miser, Lori. TIGER Grant Application. Department of Public Works, City of Indianapolis.
52. "The Indianapolis, Indiana Market". Invest Indy. <http://www.investindy.com/indymarket> (accessed February 14, 2013).
53. "Five Reasons to Love Tralyside". Riley Area Development Corporation. <http://rilevarea.org/blog/2011/03/uncategorized/five-reasons-to-love-tralyside/> (accessed March 6, 2013).
54. Hall, John. Personal Interview. December 1, 2012.
55. Ibid.
56. Ibid.
57. Inside Indianapolis Business. <http://www.insideindianapolisbusiness.com/newsitem.asp?ID=47250#middle> (accessed January 7, 2013).
58. Jarosz, Francesca. "Downtown tax district reaps unexpected windfall." Indianapolis Business Journal Online. September 29, 2010. <http://www.ibj.com/downtown-tax-district-reaps-windfall/PARAMS/article/22563> (accessed January 14, 2013).





April 28, 2014

Mr. Drew Kramer
Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Boxer, Mr. Kramer, and Ranking Member Vitter:

Thank you for the opportunity to comment further on MAP-21 Reauthorization: State and Local Perspectives on Transportation Priorities and Funding. My answers to your questions are provided below.

Senator Barbara Boxer Questions:

1) Can you describe what Federal transportation programs and policies can help support the emerging growth in population centers?

- Congestion Mitigation Air Quality (CMAQ)
- Transportation Investment Generating Economic Recovery (TIGER)
- Transportation Alternatives Program (TAP)
- Surface Transportation Program (STP)
- Highway Safety Improvement Program (HSIP)

Understanding that there is existing infrastructure that needs to be maintained, the continued and emerging growth in population centers demand infrastructure that meets the needs and wants of the people living in cities. Dedicated federal resources to help with innovative transportation solutions that consider all modes, including public transit, are critical for developing cities and localities.

Because cities like Indianapolis have overwhelming maintenance needs on already existing infrastructure, having these dedicated funds, like those in TAP, TIGER, CMAQ, STP and HSIP help leverage our limited local dollars.

Funding for public transit is a specific interest of Indianapolis. Our transit system is well operated but does not have the necessary resources to meet the needs of a growing community. Funding that can be focused on transit system expansion is needed, as is flexibility with the use of federal funds (such as STP funds) so that communities can make the best choices to meet their local needs.

Not only do federal funds help with creating new infrastructure, programs like HSIP allow us to enhance and retrofit existing infrastructure to make it safer for all users. The continued funding

Phone: 317.327.3601 Fax: 317.327.3980 TDD: 317.327.5186	Office of the Mayor 2501 City County Building 200 E. Washington Street Indianapolis, Indiana 46204 www.indy.gov
---	--

April 28, 2014
 MAP-21 Reauthorization
 Page 2 of 4

levels in the Transportation Alternatives Program (TAP) will be critical for Indianapolis to create the safe, walkable and bikeable communities that our residents are embracing and choosing to live in as opposed to more suburban, car-centric areas. Such improvements also support our efforts to enhance the performance of our major corridors and other city streets.

It is also critical that when these funds are made available, that the control over how they are spent rests with the entity that is as local to the cities as possible; in our case that is our Metropolitan Planning Organization (MPO). This process has been very successful through the current TAP program and we encourage the local control to expand and continue. Our MPO, as opposed to our state Department of Transportation, has a much better understanding of our priorities and our vision. In a large and mainly rural state like Indiana, our state DOT is primarily concerned with an extensive interstate system and larger state-owned highways. While the highway system is critical for moving people and freight on an intra and interstate level, it provides very little context when it comes to moving people between neighborhoods and places of employment in population centers. However, regional planning organizations by their nature are much better equipped to distribute these funds in a manner that is consistent with the needs and vision of the city.

We urge the continuation of the current levels of funding through the current federal programs that enable cities like ours to attract residents by providing them safe and reliable options to walk, bicycle or take transit to the places they need and want to go. Our city center has a finite amount of space and we must continue to be innovative about how we move our residents without relying solely on the automobile. This is important not only for people that choose to look outside of the automobile, but also for those that do not have the means to afford a car. We should not make it a requirement that individuals must own a car to get to work, school or a doctor appointment.

Recent economic data on regional growth rates provided by IHS Global Insight indicates that a very substantial share of America's future population and economic growth will occur in our metropolitan areas, which demands that we have every tool at our disposal to make sure this development occurs as efficiently as possible, including the smart and efficient transportation networks that will be needed to support this growth. Over the last fifty years, communities across the country have built transportation networks that make automobile travel the default option, but we are seeing an important shift back to a more balanced system that provides for all modes of travel. This shift has been in large part due to the federal programs that have challenged cities to think differently. Indianapolis is one of those and we intend to continue to design our transportation network for the residents it serves. It is also vital that we leave the decisions of how the funding is spent to the most local entity possible. We have a strong relationship with our MPO and believe they are the most capable to distribute the funds with our community's goals in mind.

2) If State DOTs hold back on putting highway and bridge construction projects out for bid, as described by our two representatives from State DOTs here today, is there a ripple effect that will be felt at the local level and, if so, what is it?

Without a thorough understanding of this question I will provide the following: If the intent to hold back projects is to feed that money into the local public agencies for more local project funding, the effect would be very beneficial to local communities. It would provide more funding

April 28, 2014
 MAP-21 Reauthorization
 Page 3 of 4

to address the cities failing infrastructure (see above for how we use the State and Federal monies). At the very least, with less State work for contractors to bid, it would provide a very competitive market and allow for better/lower prices for the local public agencies, thus, stretching our local dollar for greater capital output.

If the State DOT intent is to hold back projects to save or defer funding for other projects at the state level, it could have a serious effect on traveler safety and could hamper economic development opportunities for the areas most impacted.

Senator Roger F. Wicker Questions:

1) What have your experiences been with in-state competitive grant programs for Federal formula funds other such as the TAP?

The Federal formula programs are very competitive and they don't always seem to follow the varied needs of the cities and towns that they serve. The formulas often don't account for the shift in multi-modal needs, especially for transit. There also seems to be a gap in how the federal money can be used and what the cities actually need to spend the money on. The federal aid program management is a very cumbersome process to navigate and does not allow for the most efficient use of the money. A federal program dollar doesn't go as far as a local dollar due to that process.

2) Do you think a similar process would meet with similar success if applied to larger projects funded through a larger portion of a state's formula funds?

A State sponsored process could be successful but it would depend on the implementation of the program and the requirements they would have for locals to use the money. This would include local match requirements, maximum and minimum project scope requirements, environmental, right of way, and historical certification requirements, and programming timelines/deadlines. That said, our top priority is to have more of the available federal highway funds distributed by formula to MPOs so they can make their own decisions on projects and priorities, all in cooperation with the state and its DOT.

I am a member of the National Freight Advisory Council (NFAC) and I encourage the incorporation of their project streamlining recommendations into MAP-21 Reauthorization. This includes:

- Expanding the highway, bridge and grade separation projects that are eligible for no-document Categorical Exclusions in NEPA, known as "section (c) CEs." Depending on the type of project, up to 12 months of project delivery time could be saved as compared to so-called "section (d) CEs" which requires documentation and FHWA or FTA approval.
- Inclusion of a Multimodal/Intermodal Emphasis in Project Delivery Policy Declaration.
- Encouraging alternative project delivery mechanisms.
- Applying FHWA's Every Day Counts (EDC) initiative to all modal administrations within U.S. DOT.

April 28, 2014
MAP-21 Reauthorization
Page 4 of 4

3) Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.

The City of Indianapolis has a positive and open relationship with the Indiana Department of Transportation. My Engineering Department currently meets with their District Office staff on a monthly basis to discuss programmatic items. Also, my Director of the Public Works and the Deputy Director of Engineering meet with INDOT senior staff on a quarterly basis to discuss regional projects and program items that are of concern to both entities.

4) Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

This funding gap is a major reason why our cities, and especially metropolitan cities, will continue to fall behind in infrastructure investments and we will continue to see catastrophic failures in roadways, bridges, signal systems, etc. A prime example of this funding gap and how it will continue to be an issue for locals is highlighted with our local bridge program. We currently only have funds for the rehabilitation or reconstruction of two bridges a year. With an inventory of over 550 bridges, it would take us over 225 years to address or complete a full cycle of repairs to our bridge assets. With a typical lifespan of a bridge falling somewhere between 30 and 50 years, that puts the public in a compromising situation.

We need more funding for transportation infrastructure and need to recognize that large, metropolitan cities face significant challenges that are unique to them. As the economic drivers of our regions and, in many cases, our states, Congress should recognize these challenges and dedicate more funding to the highly urban and metro cities so that their needs can be more adequately addressed.

Thank you for the opportunity to comment. If you have any questions or need further clarification on my position, I would be happy to discuss these issues further.

Sincerely,



Gregory A. Ballard
Mayor
City of Indianapolis

Senator BOXER. Thank you so much for that testimony.
Mick Cornett, Mayor Cornett, welcome.

**STATEMENT OF HON. MICK CORNETT, MAYOR, OKLAHOMA
CITY, OKLAHOMA**

Mayor CORNETT. Thank you, Madam Chair. I appreciate the members of the committee, and especially Senator Inhofe, who has done so much to help transportation needs in central Oklahoma.

I am the mayor of Oklahoma City. I have come here today to testify on behalf of my community.

Today I would like to emphasize three points. The national transportation system and the transportation opportunities that support our population centers and communities are vital to our ability to grow and sustain the economy to ensure that the United States remains competitive in the 21st century. Second, investing in the care, maintenance and expansion of our country's critical and comprehensive transportation network cannot be left to the cities and States alone. The Federal Government must be a reliable partner and all investment options should be open for consideration to help ensure long-term and consistent transportation revenues.

MAP-21 was an excellent start. It delivered enhanced transportation opportunities through continued consideration of measures focused on expediting project delivery, transit and community initiatives and allowing resources to flow freely to the Nation's core infrastructures. Oklahoma City's economy is quite robust. We certainly have opportunities that exist now in Oklahoma City that we have not had in other times. We have recently completed a very large infrastructure project in Oklahoma City. We had an aging Interstate 40 bridge that went through the heart of our downtown area. It was crumbling and there were a lot of safety issues. That bridge has now been removed, the interstate highway has been relocated. And we are now working with our Department of Transportation to build an at-grade boulevard that can replace that old existing corridor.

So we are still working on a project that has now about 16, 17 years in the making and still not completed. But as it is completed, it certainly is helping central Oklahoma grow.

I think that Interstate 40 project is a shining example of the partnership that we in Oklahoma City have with our other agencies. I think in Oklahoma City we have a very good relationship with our Department of Transportation and certainly our Federal delegation. The private sector is flourishing, and I think partly is it because of that relationship.

We are also aggressively investing in the quality of life of central Oklahoma. We have a number of ongoing community initiatives with State and Federal partnerships. We are rebuilding our sidewalk systems, adding bike paths and lanes and improving a lot of our local streets.

Just recently we were able to purchase the former Santa Fe Depot. Back in 2005, we completed a fixed guideway study that provided a 21st century blueprint for public transit in the Oklahoma City community. And this new Santa Fe Depot purchase will allow us to create a multi-modal hub in central Oklahoma City.

We think the communities and States must understand and be able to project the availability of transportation resources if we are going to be able to plan initiatives and design and construct projects to meet the needs of our citizens.

While a reliable investment of Federal funding is critical, an equally important factor is the minimization of Federal bureaucracy and regulatory actions. This is especially true when resources are scarce, as we know they all are. We simply must do everything possible to squeeze every benefit out of every dollar that is available for our infrastructure needs.

The National Transportation Strategy and the associated Federal agencies' laws, regulations and policies should provide a simple framework that then allows and empowers the State and local governments to officially select and deliver transportation solutions to address their unique needs.

In addition, the opportunities for Federal agencies to interject narrowly focused interpretations of the Federal law should be restricted to the extent possible. What we are seeing is that Federal agencies sometimes are superseding the congressional intent of the law by promulgating regulations or rules or by issuing guidelines or directives that serve their purpose or their perceived needs. Many times, these agency-based actions and interpretations represent pure bureaucracy. They blur the critical lines between regulatory oversight and agency idealism and are at most times consuming and difficult for the States to manage.

A specific example is the opportunity Oklahoma City has had recently by encouraging General Electric to invest in a new research development center. Part of the work from the State and local governments is to help with an off ramp project that really just needs to be redesigned. There is nothing complicated about this, but we have run into bureaucracy that has redirected the focus of our team. It has impeded our progress. We don't see any recognizable benefit.

The city, State and private sector engineers working on this are experts in the field. They understand what is in the best interest of the city and the State. It is difficult to understand how these additional involvements of Federal Government are adding value to the delivery of this critical infrastructure.

In concluding, as we consider the full magnitude of the current inadequacies of our national transportation system, we must work together to style the project delivery process to be more efficient and free from the unnecessary bureaucracy, laws, rules, directives or redundant regulations. The Federal Government must continue to invest in the transportation system and maintain an equally robust and equitable commitment to the transit and quality of life needed for our communities.

Oklahoma City is at the intersection of three interstate highways that flow through our city: I-35, which stretches from Mexico to Canada; I-40, which stretches completely across the United States from California to North Carolina; and I-44 which runs diagonally through the State. Commerce is traveling through Oklahoma City. Investment in these types of interstates and the expansion of our transportation infrastructure is helping move American-made products to market. Well managed dollars committed to infrastructure

improvements and community-based initiatives directly materialize in our economy and enhance the ability of our businesses and industry to cost-effectively move goods and provide services.

Today's investments in transportation truly represent an investment in ourselves and more importantly in the future viability of this Nation and the safety of our families. Thank you, Madam Chair.

[The prepared statement of Mayor Cornett follows:]

TESTIMONY OF

THE HONORABLE MICK CORNETT

**MAYOR
OKLAHOMA CITY, OKLAHOMA**

REGARDING

"LOCAL PERSPECTIVES ON MAP-21 AND REAUTHORIZATION"

BEFORE THE

**UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS**

MARCH 26, 2014

Madam Chair, Senator Inhofe and Members of the Committee, my name is Mick Cornett. I am the Mayor of Oklahoma City and I am here today to testify on behalf of my Community.

First, we want to thank you, Madam Chair, for your leadership and your interest in understanding the transportation needs of Cities and our complete dependence on a robust national transportation system. We appreciate that you, Senator Inhofe and the Members of your Committee recognize the important contribution of the transportation system in improving the Nation's economic viability and sustaining our quality of life.

Today, I want to emphasize three points –

The national transportation system and transportation opportunities that support our population centers and communities are vital to our ability to grow and sustain the economy to insure the United States remains competitive in the 21st Century.

Investing in the care, maintenance and expansion of our country's critical and comprehensive transportation network and systems cannot be left to the cities and the states alone. The federal government must be a reliable investment partner and all investment options should be open for consideration to insure long term and consistent transportation revenues.

MAP-21 was an excellent start and the delivery of enhanced transportation opportunities through a continuing consideration of measures that focus on expediting project delivery, transit and community initiatives and allowing resources to flow freely to the Nation's core infrastructures.

TESTIMONY

The Oklahoma City Perspective

The City of Oklahoma City is experiencing a renaissance unseen in recent history. Our community is growing, our economy is strong and our quality of life is improving. Much of our success can be directly attributed to the willingness of our citizens to make the long term sacrifices necessary to invest in the infrastructure, facilities and education system necessary to support our City.

We believe in teamwork when it comes to transportation improvements. We work in partnership with Oklahoma's delegation and state government – and we're all in agreement that transportation systems are a priority.

The series of major projects that will complete the Interstate 40 realignment through the central business district of Oklahoma City is a shining example of this partnership and how government should work. The Interstate is complete and in the coming months we hope to initiate the final phases that will strengthen access to the core of the City from Interstate 40 with a grand new boulevard.

The Interstate 40 project addressed a serious deficiency in one of this Country's most critical freight and transportation linkages and was many, many years in the making. Today, the realignment has sparked a flurry of activity, new investment and development in the downtown

area highlighted by Devon Energy's new and iconic tower and a resurgence in retail development. This transportation infrastructure improvement was the catalyst and the effects will ripple far into the 21st Century. I would be remiss if I did not recognize that Senator Inhofe's direct involvement and support made this nationally significant transportation improvement possible.

The Interstate 40 improvement came at a critical time and we have a growing concern that opportunities to fund and deliver other critically needed improvements of this type will be extremely limited in the future. The relationship of the national transportation system to the movement of goods, services and people in our Communities is paramount. As our facilities become more and more congested, we need confidence that a strong federal investment will exist that can foster a long term vision necessary to develop solutions. The needs are great and long term, consistent funding is absolutely important to the development and delivery of transportation improvement projects of tomorrow.

The City of Oklahoma City also is aggressively investing in quality of life and modal transportation choices for our citizens and planning for the future. We have on-going major community initiatives with state and federal partnership that will construct and rehabilitate many sidewalk systems, add bike paths and lanes and improve many local streets.

We were able to acquire the former Santa Fe Depot adjacent to the Burlington Northern and Santa Fe rail line that is used by the AMTRAK Heartland Flyer. As a public facility, the depot is envisioned to become the transit hub for the metropolitan area. We are also undertaking a Commuter Corridor Study that is critical to local transportation in the region and I am personally chairing a steering committee responsible for our Regional Transit Dialog initiative. We are optimistic that the metro area will develop a regional transit agency in the near future to serve Oklahoma City and the surrounding counties to further develop and support modal choices and opportunities.

Communities and states must understand and be able to project the availability of transportation resources in order to properly plan initiatives and design and construct projects to meet the needs of our citizens. As the direct stewards of our transportation systems and infrastructure, we constantly assess the operational needs and conditional status of our streets and highways and modal systems. Decisions related to the care, preventative maintenance, reconstruction and expansion of all transportation components and features are predicated on the critical needs of our citizens and our understanding of the long term resource availability.

The Federal Government Should Empower Cities and States to Efficiently Deliver the National Transportation Program

While a reliable investment of federal funding is critical, an equally important factor is the minimization of federal bureaucracy and regulatory actions. When resources are scarce, we simply must do everything possible to squeeze every benefit from every dollar by increasing the efficiency of project delivery. Cities and states must be afforded the opportunity to quickly implement improvements and direct federal funding in a manner that is consistent with a national transportation strategy and that is supported by our local resident stakeholders. The national transportation strategy and the associated federal agencies, laws, regulations and policies should provide a simple framework that empowers state and local governments to efficiently select and deliver transportation solutions to address their unique needs.

In addition, the opportunities for federal agencies to interject narrowly focused interpretations of the federal law should be restricted to the extent possible. Federal agencies sometimes supersede the congressional intent of the law by promulgating regulations or rules or by issuing guidelines or directives that serve only their purposes or perceived needs. Many times these agency based actions and interpretations represent pure bureaucracy, blur the critical line between regulatory oversight and agency idealism and are the most time consuming and difficult for the states to manage.

The City of Oklahoma City is surging to the forefront as a mecca of both biomedical and energy research and development. Over the past 20 years a vibrant new research park has developed just south of the State Capitol along Interstate 235 and continues to grow with each passing day. Recently, General Electric chose the research park area as the home for their Global Oil and Natural Gas Technology Center. The world class Center represents an investment in excess of \$100 million and is the only GE global research facility devoted entirely to one industry.

Simple operational improvements to an adjacent I-235 interchange are necessary to improve ingress and egress to the research park and the new Center. As such, the City and the Oklahoma Department of Transportation have been partnering for several years now to develop a plan for better, more efficient and safer access while minimizing the impacts to the community and surrounding developments. However, it seems that we regularly encounter federal stumbling blocks that materialize as regulatory clearances, design reviews and bureaucratic approvals.

This bureaucracy redirects the focus of our team, impedes our progress and generally delays the improvements for no recognizable benefit. The City, State and private sector transportation engineers working on the designs for the operational improvements are experts in the field who understand the problem and who have the best interests of the city, state and nation in mind. It is difficult to understand how the additional involvement of the federal government is adding value to the delivery of the critical modifications.

Conclusion

As we consider the full magnitude of the current inadequacies of our national transportation system, we must work together to style the project delivery process to be more efficient and free from unnecessary bureaucracy, laws, rules, directives or redundant regulations. The federal government must continue to invest in the transportation system and maintain an equally robust and equitable commitment to the transit and quality of life needs of our communities.

Oklahoma City is at the intersection of two major interstates: I-35 from Canada to Mexico and I-40 from the east coast to the west coast, and I-44 which runs diagonally through the state. Commerce travels through Oklahoma City. Investment in -- and expansion of -- our transportation infrastructure helps move American-made products to market.

Well-managed dollars committed to infrastructure improvements and community-based initiatives directly materialize in our economy and enhance the ability of our business and industry to cost effectively move goods and provide services. Today's investments in transportation truly represents an investment in ourselves and more importantly, in the future viability of this nation and the safety of our families.

**Environment and Public Works Committee Hearing
March 27, 2014
Follow-Up Questions for Written Submission**

Questions for Mayor Mick Cornett, Oklahoma City

Questions from:

Senator Barbara Boxer

Q. Can you discuss how your citizens are seeking modal choices and how federal funding can help improve transportation choices and accessibility for your citizens?

A. Our citizens are seeking more modal choices as evidenced by survey results, the efforts of transit coalitions, and attendance at community meetings – as well as by the growth in bicycle, sidewalk, and transit infrastructure.

The City surveys its citizens nearly every year to gauge their attitudes and wishes: adding more public transit has been among the top five in about the past four surveys. More than 400 people attended a recent APT transit coalition meeting on the value of adding transit. (See this link: <http://vimeo.com/61005538>).

Accessibility for pedestrians and others has been a continuing aim of the Mayors Committee in Disability Concerns (MCDC).

Oklahoma City residents have approved numerous local tax initiatives to invest in new sidewalks, streetcar, and other transit options. New federal dollars can help accelerate the pace of progress and reinforce right thinking about transportation options. Federal funds help local funds stretch further and reward local steps towards sustainability.

The City of OKC continues to receive support for the modern streetcar, and there appears to be a growing interest in commuter and light rail. The City's MAPS 3 program will construct the initial phase of approximately 6 miles of modern streetcar facilities; however, additional funding (Federal support) will be needed to expand this system and to also engage additional rail opportunities that affect the greater and growing Oklahoma City metropolitan area.

Q. If State DOTs hold back on putting highway and bridge construction projects out for bid, as described by our two representatives from State DOTs here today, is there a ripple effect that will be felt at the local level and, if so, what is it?

A. There are hundreds of bridges in Oklahoma City, with many being maintained by the State DOT (ODOT). As shown in annual inspections provided by the State, many of these bridges have been listed as needing repairs and upgrades. The City relies on the work provided by ODOT to support the street and bridge infrastructure for the 620 square

miles of Oklahoma City and the more than 8,000 lane miles of roadway to provide transit facilities to the public.

Senator Roger F. Wicker

Q. What have your experiences been with in-state competitive grant programs for Federal formula funds other such as the Transportation Alternatives Program?

A. In-state competitive grants have been very hard to win for transit. The State has had no funding programs for large cities and the only TAP funds we can compete for are those the State has allowed ACOG, the region's MPO, to manage. The region's TAP grant program has just been announced and transit has had to work hard, even during TAP criteria development, to help ensure that access to the transit network is of comparable importance as the needs of other pedestrians, trails users and cyclists.

Unfortunate for transit is that the annual STP-UZA allocation to the region is absorbed by the appetite for road, bridge and traffic projects. Despite the efforts over the past 15 years, transit has never garnered enough rating points to receive any STP-UZA funds for capital projects.

If the question relates to the ACOG grant program, the current system is based on the scoring of individual projects, but not on population or the needs of individual communities. It is possible for a very small community with needs to not meet the requirements for any funding, while mid and larger size communities appear to have an advantage with projects that score much higher. Consideration should be given to facilitating competition, but also taking into account a maximum participation by each community (possibly based on population) that would allow all communities of all sizes to compete for available funding.

Q. Do you think a similar process would meet with similar success if applied to larger projects? Funded through a larger portion of a state's formula funds?

A. Oklahoma has a large land area, with seemingly massive road and bridge needs in the rural counties where population density is low yet mobility needs are great. The rural legislators have more power than urban ones. Even so, the nearly 20 rural and tribal transit agencies are not (thus, not the urban transits either) in a position to succeed in a competition for state formula funds unless the federal funding guidelines require some sort of minimum transit set-aside or perhaps specify credits or bonuses for projects replacing old fleet vehicles (SGR points).

Q. Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.

A. Oklahoma City, with an area of more than 600 square miles, works closely with ODOT. Many of the City's major highways and heavily travelled thoroughfares are actually State rights-of-way.

The relationship is generally good, as evidenced by projects like the Oklahoma City Boulevard, highway widening projects, the Santa Fe Depot intermodal hub project, and even the latest TIGER grant application for planning bus rapid transit (BRT) on the six-lane Northwest Expressway.

OKC Transit works well with Oklahoma County and serves parts of many cities and yet the region lacks any dedicated funding source for transit

Q. Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

A. County roads are typically not constructed to the same standards as municipal roads, especially municipal roads with high volumes and need for traffic control. A County resurfacing project for a two-lane road can be accomplished at a cost of \$50-\$150K per lane mile depending on the type of construction and amount of work required. Typical municipal street resurfacing and the need for additional pavement thickness is accomplished at a higher costs that can range from \$150-\$300K per lane mile depending on the thickness of the overlay, and more if new signals and traffic control are required. The difference in overall cost for construction suggests that the percentage of funds is not directly related to the total number of miles maintained by each County and/or City.

In regard to transit, the largest funding disparity we are experiencing is in regard to funding for bus replacement. With MAP 21 legislation funding for the Bus and Bus Facilities program was cut from \$984 million in FY 2012 to \$422 million in FY 2013 – a reduction of more than 57 percent. The funding that bus systems lost out on was allocated rail operation. According to our national association, under MAP21 bus systems receive about 8% of available funding but provide over 54% of public transportation trips. As a bus system we would ask Congress to simply make bus systems whole moving forward by reinstating the funding available for bus replacement to pre MAP21 levels.

Senator BOXER. Thank you so much, Mayor, for that excellent testimony.

Mr. Bill Fontenot, President of St. Landry Parish, Louisiana.

**STATEMENT OF BILL FONTENOT, PRESIDENT, ST. LANDRY
PARISH, LOUISIANA**

Mr. FONTENOT. Madam Chairman Boxer, Ranking Member Vitter and members of the committee, it is an honor and a privilege to testify before you today. My name is Bill Fontenot, and I am a professional civil engineer that had the privilege of working 38 years for the Louisiana DOTD of which the last 18 years of that career was serving as a regional district engineer administrator for the eight-parish Acadiana region.

The Acadiana region is where Mardi Gras is less about parades, kings and queens throwing beads, but more about the common, ordinary man dressing up in colorful costumes and masks and riding horses throughout the countryside, chasing down chickens and guineas to be included as ingredients to a delicious gumbo dinner during the evening before Ash Wednesday.

I retired from Louisiana DOTD in 2011 and now currently serve as the president of St. Landry Parish Government in south Louisiana. I am pleased and proud to introduce to you St. Landry Parish Councilmen Jerry Red, Jimmie Edwards and Timmy Lejeune along with our Director of Operations, Jessie Bellard, who have accompanied me to Washington, DC, to visit with you. They are here in the room today.

Senator BOXER. Raise your hands, please? Welcome.

Senator CARPER. Do you promise to tell the truth, the whole truth and nothing but the truth?

[Laughter.]

Mr. FONTENOT. If they want a ride home they have to, yes.

These councilmen, with a majority of others, and I worked very hard over the first 2 years of my administration to convince parish voters that local roads were never going to meet the level of service that they so wanted and needed. There existed no dedicated local funds for road improvements ever in the history of the parish. This effort of hard work resulted, I am happy to report, in the passage this past October of a two cent sales tax, 15 year referendum for the rural areas only that will be dedicated solely for improving roads. History was made. Our voters were finally convinced that we as citizens of the parish needed to learn how to buckle our own bootstraps relative to addressing our local highway issues.

I am here to tell you that this sales tax will go a long way to mending our roads for a long time. But we will continue to need Federal assistance to make the best of meeting the very expensive requirements to replace the many bridges that are deficient. Therefore, I would like to respectfully offer the following priorities for your consideration during the development of the next surface transportation bill.

First, we ask that you continue the Federal funding set-aside for off-system bridges and consider increasing overall funding for bridge replacement and rehabilitation. The Nation's counties, which we are considered one of, own a significant amount of the Nation's off-system bridges. In fact, off-system bridges represent

76.5 percent of counties' bridge inventory. Overall, off-system bridges represent 47 percent of the national bridge inventory. And this is a particular issue to us because Louisiana parishes own 33 percent of our State's public bridges.

Second, we respectfully request that you work hard to achieve the timely passage of a Federal surface transportation bill that provides increased, stable and long-term funding so that Federal, State and local highway planners can create logical strategies to addressing highway needs. The political leadership at all levels needs to support this as our citizens do not understand or appreciate the lack of it. Our quality of life depends on it, our economy depends on it.

Third, a specific Federal change needed, that may fall beyond the scope of today's discussion, and I hear a lot about it, is the Federal wetlands banking requirements whereby the right of way mitigation ratio at times ranges from 3 to 1 to 5 to 1. This exorbitant cost will cause some valid projects not to be constructed under this mandate. We ask that you look at reducing this requirement, if possible, and also allowing purchasing current wetlands areas in advance for credit in consideration of future projects. This is currently not allowed.

Fourth, relative to what was once called transportation enhancement funding, now known as transportation alternatives funding, which is something as a district administrator under the enhancement program I very much promoted in my area. But I am hearing now that under this program, that the ability to obligate this funding is becoming complex, to the extent that many local governments will be hesitant to spend money, energy and time to apply for such funding that could really benefit our communities.

Fifth, we ask for increased funding for improvements to minor road connectors that are so important to local commerce relative to moving goods, mobility for jobs and recreation, all boosting economy and quality of life. A special rule in MAP-21 allows States to use up to 15 percent of the Surface Transportation Program funds suballocated for areas with a population of 5,000 or less on rural minor collectors. We would like to see this expanded to a greater percentage and to areas exceeding a population of 5,000.

Sixth, and finally, as you might expect, we support and encourage necessary Federal funding to complete I-49 south in Louisiana. I wish to acknowledge and thank the National Association of Counties for their untiring efforts working with local governments and Congress to create a quality highway bill. I think you get it.

Thank you so much for allowing me to speak today and for your dedicated service to our good old USA.

[The prepared statement of Mr. Fontenot follows:]

Opening Statement to Environmental and Public Works Committee 3-27-14

Madame Chairman, Ranking Member Vitter, and Members of the committee:

It is an honor and a privilege to testify before you today. My name is Bill Fontenot. I am a professional civil engineer that had the pleasure of working thirty-eight years for the Louisiana DOTD of which the last eighteen years of that career was serving as the Regional District Engineer Administrator for the eight parish Acadiana region. The Acadiana region is where Mardi Gras is less about parades, kings and queens, but more about dressing in colorful costumes and masks and riding horses through the countryside, chasing chickens and guineas to be included as ingredients to a delicious gumbo dinner during the evening before Ash Wednesday.

I retired from Louisiana DOTD in 2011 and now currently serve as the president of St. Landry Parish Government in south Louisiana. I am pleased and proud to introduce you to St. Landry Parish Councilmen Jerry Red, Jimmie Edwards and Timmy Lejeune along with our Director of Operations, Jessie Bellard, who have accompanied me to Washington DC to visit with you. They are here in the room today.

These councilmen, with a majority of others, and I worked very hard over the first two years of my administration to convince parish voters that roads on the local level were never going to meet the level of service that they so wanted and needed. There existed no dedicated local funds for road improvements ever in the history of the parish. This effort of hard work resulted, I am happy to report in the passage this past October of a two cent sales tax, fifteen year referendum in "rural areas only" that will be dedicated solely to improving parish roads. History was made. Our voters were finally convinced that we as citizens of the parish needed to learn how to buckle our own boot straps relative to our local highway issues.

I am here to tell you that this sales tax will go a long way to mending our roads but we will continue to need federal assistance to make the best of meeting the very expensive requirements to replace the many bridges that are deficient.

Therefore, I would like to offer the following priorities for your consideration during the development of the next surface transportation bill:

Frist, we ask that you continue the federal funding set-aside for off-system bridges and consider increasing overall funding for bridge replacement and rehabilitation.. The nation's counties, which we are considered one of, own a significant amount of the nation's off-system bridges. In fact, off-system bridges represent 76.5% of counties' bridge inventory. Overall, off-system bridges represent 47% of the national bridge inventory. And this is a particular issue to us because Louisiana parishes own 33% of our state's public bridges.

Second, we respectfully request that you work hard to achieve the timely passage of a federal surface transportation bill that provides increased, stable and long-term funding so that federal, state and local highway planners can create logical strategies to address highway needs. The political leadership at all levels needs to support this as our citizens do not understand or appreciate the lack of it. Our economy depends on it. Our quality of life depends on it.

Third, a specific federal change needed, that may fall beyond the scope of today's discussion, is the federal wetlands banking requirements whereby the right of way ratio at times ranges from 3 -1 to 5 -1. This exorbitant cost will cause some valid projects not to be constructed under this mandate. We ask that you look at reducing this requirement and also allowing purchasing current wetlands areas in advance for credit in consideration of future projects. This is currently not allowed.

Fourth, relative to what was once called transportation enhancement funding, now known as transportation alternatives funding. MAP-21 provided states the ability to obligate this funding to eligible projects through a competitive process. This process, at least in our state, is so procedurally complex that many local governments will be hesitant to spend time, energy and money to apply for such funding that could really benefit communities.

Fifth, we ask for increased federal funding for improvements to minor road connectors that are so important to local commerce relative to moving goods,

mobility for jobs and recreation, all boosting economy and quality of life. A special rule in MAP-21 allows States to use up to 15% of the Surface Transportation Program funds suballocated for areas with a population of 5,000 or less on rural minor collectors. We would like to see this expanded to a greater percentage and to areas exceeding a population of 5,000.

Sixth, and finally, we support and encourage necessary federal funding to complete I-49 south in Louisiana.

I wish to acknowledge and thank the National Association of Counties for their untiring efforts working with local governments and congress to create a quality highway bill.

Thank you so much for allowing me to speak today and for your dedicated service to our good old USA.

W. K. Bill Fontenot
President
St. Landry Parish, Louisiana

Senator BOXER. Thanks so much, sir.

Mr. Jim Willox, Chairman, Converse County Commission, Wyoming.

STATEMENT OF JIM WILLOX, CHAIRMAN, CONVERSE COUNTY COMMISSION, WYOMING

Mr. WILLOX. Good morning Chairman Boxer, Ranking Member Vitter, Senator Barrasso, and members of the committee. I thank you for this opportunity today.

My name is Jim Willox, and I am Chairman of the Converse County Board of Commissioners in Converse County, Wyoming, and also serve as Chairman of the Transportation Committee of the Wyoming County Commissioners Association.

Converse County, Wyoming, is fairly representative of many western counties in our part of the United States. Low population factors, when combined with our climate and the high percentage of Federal land ownership within our borders, create unique transportation challenges for Wyoming and our counties, including Converse.

From a rural county's perspective, the continued viability of a Federal partner in road and bridge projects is of the utmost importance. The National Association of County Officials has pointed out that a full 45 percent of the Nation's public roads are owned and operated by counties. In my county alone we maintain over 620 miles of roads. 512 miles of that is gravel road. We also maintain 36 bridges of various sizes.

When I think about that transportation system, I think of a fellow commissioner of mine who is a cattle rancher in southern Converse County. In order for him to deliver his cattle to the national and global marketplace, he first loads them up on a semi-truck and travels 6 miles on a gravel county road. He travels 5 miles on a paved county road, 3 miles on a Wyoming State highway, 68 miles on Interstate 25, 49 miles on a U.S. highway, and finally to a local city street where he delivers those cattle to market.

In northern Converse County I can describe to you a similar route that millions of dollars of oil and gas production takes to reach the market or refineries, or a similar route that a tourist takes to reach the Medicine Bow National Forest to go camping. If a weak link exists in any part of that system, the rancher's ability to put a steak on our plate, the oil and gas industry's ability to fuel our cars and heat our homes, or that outdoor adventure for the tourist is stymied.

At the county level we invest a great deal to make sure our portion of roads are in good shape, and we have an excellent partner in the State of Wyoming and WYDOT. However, the ability of Wyoming and its counties to fund road and bridge projects is heavily dependent upon the continuation of a long-term Federal highway program, and in turn, the continued viability of the Highway Trust Fund.

As you look at Federal programs, the success or failure of any Federal highway program in Wyoming can be reasonably predicted on one question: does the program provide enough flexibility at the local level? If the answer is yes, then that program can be successful.

MAP-21 did provide some more flexibility, and that is helpful. But I respectfully ask that you give further consideration to providing more flexibility and fewer rules so that local governments are not unduly burdened, and so that road and bridge safety projects can proceed promptly and efficiently. This is particularly true in rural areas, where we often find ourselves attempting to force the round peg of small, rural projects into the largeness of square Federal rules.

As an example of this delay it took the BLM 10 months to determine that Converse County indeed did have a right-of-way on a road that had been in existence since 1892. After that delay, we still faced the usual ones imposed by NEPA and related environmental reviews. At best, those NEPA reviews require several weeks of analysis, much longer if there are complicating factors. In those cases, environmental reviews rarely provide flexibility for maintaining existing roadways, even when the activity itself has minimal impact.

Seasonal wildlife stipulations placed on surface disturbance for new construction over virgin territory may make sense. But if a county is planning to work on a road that has existed since statehood, I don't think we need to jump through those hoops designed for new construction. Our harsh climate and short construction season means we must plan for even the smallest projects in advance. Unnecessary delays imposed by NEPA, Corps of Engineers and other environmental reviews or other Federal requirements can push important public safety projects off for an entire year or more.

I urge a careful look at how the environmental review and permitting processes can be further streamlined so that road and bridge projects can be completed in a timely manner and we spend more dollars on concrete and pavement and less on paper.

I leave you with this final thought. We talk a lot about the information highway and how we can sit at home on our coach and order wool socks, or a big screen TV. However, if we fail to invest wisely in our deteriorating real highways with gravel, concrete, and pavement and bridges, the sheep's wool and the rare earth minerals needed to create that TV will never reach the manufacturer and never be able to be delivered to the consumer.

I thank you for this opportunity to testify today and I look forward to your questions.

[The prepared statement of Mr. Willox follows:]

Testimony of the Honorable James H. Willox
Chairman, Converse County Board of County Commissioners and;
Chairman, Wyoming County Commissioners Association Committee on Transportation.

United States Senate Committee on Environment and Public Works Hearing on
"MAP-21 Reauthorization: State and Local Perspectives on
Transportation Priorities and Spending"
March 27, 2014

Good morning Chairman Boxer, Ranking Member Vitter, Senator Barrasso, and distinguished members of the committee. Thank you for the opportunity to address you today regarding local government perspectives on federal highway programs.

My name is Jim Willox, I am the Chairman of the Board of County Commissioners in Converse County, Wyoming, and have served on that Board since 2007. I also serve as Chairman of the Transportation Committee for the Wyoming County Commissioners Association, or WCCA. The WCCA is a voluntary association of all 23 Wyoming counties that strives to address county level needs through unified action.

Converse County is located in central Wyoming with a total population of just about 14,000. There is about one square mile of land in Converse County for every 3 of our residents. The rural nature of Converse County is a reasonable representation of Wyoming as a whole, which boasts only 5.8 people per square mile. Converse County is also fairly representative of many Western counties in our part of the United States. These population factors, when combined with our climate and the high percentage of federal land ownership within our borders, create unique transportation challenges for Wyoming and its counties, including Converse County. In many respects, these challenges make us strong supporters of federal highway programs. However, we do believe there is room for improvement.

Converse County, and all 23 Wyoming counties, needs a vibrant federal partner.

There is no doubt that the biggest, most complicated and controversial issue surrounding reauthorization of the highway and surface transportation bill is determining the appropriate level of funding for federal programs, as well as the appropriate source of that funding. I am aware that yet again the Highway Trust Fund faces a multi-billion dollar shortfall. Congress is again in the unenviable position of dealing with that shortfall, and the ever shrinking revenue derived from the federal gas tax, in a way that addresses the short and long-term viability of federal programs. While this is undoubtedly a challenge, it is worth the effort to find a solution.

From a rural county's perspective, and far beyond the nuts and bolts of specific programs, the continued viability of a federal partner in road and bridge projects is of the utmost importance. Our partners at the National Association of County Officials have pointed out that a full 45% of roads in the United States are owned and operated by counties. In Wyoming, 14,651 miles of road, or nearly 52% of road mileage in the state are county roads. Only 17% of those county roads are paved. In my county alone we maintain 618 miles of county roads; 512 miles of that system are gravel.

One of my fellow Commissioners on the Converse County Board is a cattle rancher in southern Converse County. To bring his product to the national and global marketplace, he must round up his cattle and transport them on 6 miles of gravel county road, 5 miles of paved county road, 3 miles of state highway, 68 miles of federal interstate, 49 miles on a US highway, and finally to a local city street where he can bring them to market. In northern Converse County I could also describe to you the similar route millions of dollars of oil and gas production takes to reach markets, or the route a tourist takes to go camping in the Medicine Bow National Forest. If a weak link exists in any of those road systems, the rancher's ability to help feed the nation and the world is stymied, oil and gas is not available to heat our homes or fuel our cars, and the tourist misses out on an outdoor adventure. At the county level we invest a great deal to make certain our portion of roads are in good shape, and we have an excellent partner in the State of Wyoming. However, the ability of Wyoming and its counties to fund road and bridge projects is heavily dependent upon the continuation of the federal highway program, and in turn, continued viability of the Highway Trust Fund.

Wyoming residents are doing their part to invest in these projects at the federal level. On average, Americans pay into the federal Highway Trust Fund approximately \$113 dollars each. Wyoming's residents pay nearly three times that amount. While Wyomingites have stepped up to the plate to help contribute to the federal Highway Trust Fund as well as to state highway coffers, it is simply a mathematical reality that no amount of taxation on Wyoming's residents will be able to raise enough revenue to fully offset the infrastructure needs in our state. Quite plainly, we need a federal partner.

Making the federal highway program work for Wyoming and its counties.

Beyond the critical need for federal financial resources, the success or failure of federal highway programs in Wyoming can be reasonably predicted based on one question. Does the program provide enough flexibility at the local level to meet the unique needs of Wyoming's climate, terrain, and rural nature? If the answer is yes, then the program can be successful in Wyoming.

MAP21 did reduce the number of programs and allowed for increased ability to transfer funds between programs. This increased flexibility is directly helpful to states and indirectly helpful to counties by allowing for more local control on where federal dollars are spent. However, as you continue the difficult work of reauthorizing federal highway programs this year, I respectfully ask that you give further consideration to providing more flexibility and fewer rules so that local governments are not unduly burdened, and so road and bridge projects can advance promptly and efficiently. Many discussions about efficient infrastructure projects center on long delays of very large projects. However, a great many projects of local significance can and should be advanced quickly. This is particularly true in rural areas, where we often find ourselves attempting to force the round peg of our small project into the square hole of federal rules.

For example, the Federal Lands Access Program (derived from the former Federal Lands Highway Program), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), and the High Risk Rural Roads Program (HRRRP) have been used with some success in Wyoming. However, even these programs suffer from the onerous expectations placed on

counties in order to receive federal assistance. Congress intended that many of these programs offer meaningful assistance to financially challenged counties. However, it is precisely these counties that have fewer staff and resources to comply with regulations and matching requirements. In most cases seeking federal assistance for small, rural projects increases the cost of the project manifold.

For example, Platte County is located immediately to the south of my own. It is a largely agriculture based county, and has a population of only about 8,500. Platte County needs to repair an 8 mile stretch of road and replace a bridge. A reasonable estimate to complete the bridge project sufficient for the actual needs of this rural county is about \$130,000. However, in order to receive desperately needed federal assistance through the Federal Lands Access Program, they must accept a level of engineering, bidding, environmental and construction requirements that could push that price tag upwards of \$1 million dollars.

To begin small dollar projects on existing county rights-of-way through the High Risk Rural Roads Program, counties must submit several pages of environmental review forms to multiple federal and state agencies, further lengthening the time it takes to receive approval. A little flexibility and recognition of rural circumstances would allow for meaningful projects like the one in Platte County and numerous others to take place at reduced costs to both counties and the federal government. I suggest that for small dollar projects outside urban areas, Congress should consider waiving some requirements that simply do not make sense in rural areas.

For example, Congress could help counties save significant dollars simply by allowing for more local control on when engineering must be put out to bid. In rural counties, multiple engineering options often do not exist, and using an engineer who is familiar with the unique needs of the county can result in both monetary and time savings.

Another example: in my own county we recently completed a river crossing bridge that did not meet the Federal Highway Administration's standards the moment it was completed. It doesn't meet the standards not because it is unsafe, but because it is not a two-lane bridge – a requirement of the FHA. In this case, the average daily travel on the bridge is less than 25 vehicles, and signage is adequate to ensure its safe function as a one-lane bridge. We saved the taxpayers hundreds of thousands of dollars by by-passing the federal programs that were available. Despite the fact that we are now ineligible for federal assistance on that project, we opted for a more prudent approach to provide our citizens with a bridge that will serve the community well and at a reasonable cost to the taxpayer.

In addition to the need for more flexibility for projects, particularly in rural counties, some highway programs, even those designed to help deal with federal land access are structured in ways that do not allow for a timely response. In places like Wyoming, a timely response is not just desirable for its own sake; timeliness is an absolute necessity in order to complete projects during our very short construction season.

In order to improve a county road in Converse County, we first had to get approval from the Bureau of Land Management (BLM) that the county possessed the right-of-way. It took the BLM 10 months to determine that indeed we did have a right-of-way on a road that had been

essentially in existence in that location since 1892. After that delay, we still faced the usual delays imposed by the National Environmental Policy Act (NEPA) and related environmental reviews.

At best NEPA reviews require several weeks of analysis, much longer if there are complicating factors like threatened or endangered wildlife species. In those cases, environmental reviews rarely provide the flexibility for maintaining existing roadways even when the activity itself has minimal impact. For example, seasonal wildlife stipulations placed on surface disturbance may be appropriate for new construction, but they should not extend to mere blading of existing roadways. If a county is planning work on a road that has existed since statehood, it should not need to jump through unnecessary hoops designed for new construction.

Delays like these are particularly harmful to counties and states like mine because of the extremely short construction season. Our harsh climate and short construction season means we must plan for even the smallest projects a year in advance. Unnecessary delays imposed by NEPA, other environmental reviews, or other federal requirements can push important public safety projects off for an entire year if not more. Even if a county navigates all of the federal regulations correctly, the lack of a long-term highway bill adds a level of uncertainty that defeats long term planning on the local level. I urge a careful look at how the environmental review and permitting processes can be further streamlined so that road and bridge projects can be completed in a timely manner.

Conclusion

The federal highway program is important to Wyoming and all its counties. We sincerely hope a long-term highway bill can be developed and passed out of Congress this year. With relatively minor changes, Congress can empower local governments to make the right decisions for their county and save taxpayer dollars in the process.

I leave you with this final thought. We talk about how the “information highway” has changed everything about our way of life. You can order your plastic smart-phone case, wool socks, or a big screen TV from the comfort of your home. However, if we fail to invest wisely in our deteriorating real highways with gravel, concrete, pavement and bridges, the petroleum products, sheep’s wool and rare earth elements needed to create those products will never reach their final destination.

Thank you for the opportunity to testify today. I am happy to respond to any questions you may have.

**Follow up Questions from the testimony of Jim Willox
Commissioner, Converse County WY**

Questions from Senator Barbara Boxer

1. Can you explain how counties such as yours can utilize Federal funding to maintain and improve locally owned roads and how important those roads are to a strong economy?

As I testified before the committee, it is vital that the entire road and highway system remain viable. Many segments of our local economy use county, state and federal highways daily to send and receive goods. A failure in any part of the system will lead to delays, increased costs, and in the extreme, the inability for a business to function. The quality and reliability of roads and bridges have a direct correlation to the economic viability of an area.

Federal funding for Counties allows Counties to tackle large scale projects that they would not otherwise be able to fund. The high cost of paved roads and the sheer miles of gravel roads mean the Counties are faced with making hard choices on how to prioritize projects. Federal matching funds allow Counties to invest in large road and bridge projects with a federal partner. While these programs are helpful, the hoops that Counties must jump through at times can discourage Counties from using the federal dollars. Fewer restrictions on these funds would lead to more usage and quicker completion of the projects.

2. If State DOTs hold back on putting highway and bridge construction projects out for bid, as described by our two representatives from State DOTs here today, is there a ripple effect that will be felt at the local level and, if so, what is it?

There are times that Counties try and “piggy back” on state projects in the area. Reduced mobilization costs, specialized equipment or a road that goes from state to county ownership provide opportunities for Counties to extend a state project. If the County is counting on the state project to complete their own, a delay means the project is not completed, or the cost becomes prohibitive.

The other factor is that the construction bidding environment needs to be healthy. If the state holds back and companies move out of the area or shrink, the pool of bidders for County projects shrinks. This can lead to fewer competitive bids or none. A steady and reliable construction season and list of projects is a benefit to both the state and Counties.

Questions from Senator Roger F. Wicker**1: Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.**

Wyoming Counties, through the Wyoming County Commissioners Association (WCCA), has made a concerted effort to improve the relationship between the Counties and WyDOT over the last several years. WyDOT representatives attend every meeting of the WCCA, and local and regional representatives of WyDOT meet with elected officials every year to lay out WyDOT's 5 year plans. Counties have the ability to use WyDOT's volume purchasing power and to leverage state projects into County projects when appropriate. While there are still times individual Counties and WyDOT are not in agreement, the relationship is solid and good.

2. Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

As I previously testified, the key to a good federal program is flexibility. We could spend more of the money in the 16% on actual pavement, bridges and gravel if we did not have as many hoops to jump through.

It is true that we own the largest share of roads and bridges, but in general, our cost per mile is less than the federal and state system due to the number of gravel roads. A viable and reliable transportation system from the rural outposts to the city centers is an economic necessity. Allowing more partnership opportunities without hoops, additional funding and long range planning and funding streams would be valuable in assisting Counties.

Senator BOXER. Thank you so much.
 And last but not least, Dave Gula, Principal Planner, Wilmington Area Planning Council, Delaware.

**STATEMENT OF DAVE GULA, PRINCIPAL PLANNER,
 WILMINGTON AREA PLANNING COUNCIL, DELAWARE**

Mr. GULA. Good morning. I would like to thank Chairman Boxer, Ranking Member Vitter, Senator Carper from Delaware and members of the committee for inviting us here today to represent WILMAPCO and to speak about the MAP-21 reauthorization.

The WILMAPCO region is different in that we span two States, two counties. We have New Castle County, Delaware and Cecil County, Maryland. So our area of influence is different in every State or city. We were very happy to see both the transportation enhancements and the Safe Routes to School programs were carried forward into the Transportation Alternatives Program in MAP-21. They are very important tools that we use when doing community planning.

We have used these funds to implement projects that have been recommended by community planning studies that we carried out, Southbridge Circulation Study being one of those. Southbridge is a low income, minority neighborhood in South Wilmington that has been a focus of our environmental justice reports. The circulation study recommended that sidewalk, bus stop and intersection improvements be implemented, but there was no funding at the capital program for DelDOT. So we used those funds to implement those projects in a much more timely fashion. Very helpful for us in delivering these projects to the community.

Also at the local level, there is a struggle to make the needed investments in transit for a middle size city like Wilmington, Delaware, and a rural county like Cecil County, Maryland. As Mayor Ballard noted, demographics are beginning to change in the U.S., and we are seeing both baby boomers and millennials finding common ground in transit use. We see yearly ridership growth in both DART in Newcastle County and in Cecil County's transportation system.

Millennials are no longer married to their cars. In fact, they would give those up before their cherished cell phones. I have two millennials, a 19-year-old and a 26-year-old, and you could never get the phone out of their hands, but neither one of them has ever owned a car. That has been a challenge. I live in a rather suburban area in Newcastle County, but we made it work.

So that new workforce, they are gravitating to different locations. They are going to activity centers, cities and towns. The empty nest boomers are looking for similar lifestyle changes. These groups are more likely to ride a bike or walk a few blocks than necessarily get into their car or call a taxi. We have to make the best investments with our transportation funding to those two groups because they will leave our region and they will go somewhere where they can get those multi-modal choices.

Our region is along the northeast corridor. We support Amtrak's mission, and we coordinate with them for local planning projects like a new train station and the Newark regional transportation center that is being built in Newark. But when we consider city to

city passenger services within our region, we often work with the Delaware Transit Corporation, SEPTA or MTA's MARC train service.

Unfortunately, use of States' capital and operating funds are separated by State lines. So the 20-mile gap in commuter passenger service between the MARC train station in Perryville, Maryland, and the SEPTA trains in Newark, Delaware, is a constant reminder to WILMAPCO that passenger rail is a regional concern.

In other areas of need, we have freight movement, especially by rail, that is coming into greater focus at a regional level. In our region we see the need to plan for more track capacity as trains transport crude oil from the western U.S. to refineries on the east coast. In Delaware it is the PVF Refinery in Delaware City.

In the process of completing the Chesapeake Connector Freight-Passenger Rail Benefits Study for our partner agencies MDOT and DelDOT, we found that there are some changes that need to be made. One concern with a regional study of this nature is that while the project is important to both Maryland and Delaware for freight movement, Delaware's capital funding cannot be used for physical improvements in Cecil County, Maryland, which shows that the ability to plan regionally is great, but if you can't fund regionally then it is much more difficult to finish the project.

Another concern is linking land use and transportation priorities. That is more important at a time when transportation trust funds in both States and the Federal Government are running empty and the physical landscape is dominated by suburban development. WILMAPCO has participated in studies like the Churchman's Crossing Infrastructure Investment Study and the U.S. 40 Corridor Improvement Study, which are local studies in which transportation agencies, local and county planners and elected officials work together in a public forum to create a multi-modal plan for prioritized improvements in transportation with a coordinated land use plan. The projects are ranked by not just importance but how they can be implemented. These projects are located in our region's core investment areas, and the MPO process is an ideal vehicle to facilitate this kind of project collaboration.

In closing, WILMAPCO asks that the new transportation bill build on the successes of SAFTEA-LU and MAP-21 to continue and strengthen the focus on collaboration and coordination. That is a hallmark of the MPO process. This type of planning requires time to build relationships and trust, both with agencies and the public. We ask for consideration to extend that bill beyond the 2-year period to stabilize the funding sources and to provide the program guidance documents with the release of the bill, so we can get right to work.

Please continue to fund the TIGER program. It rewards creative projects and strong local coordination and it is a very competitive format. We would also like to see more flexibility in the use of the STP funds to support passenger rail expansion. It is difficult to do that with the funding program, with the funding permit as it is laid out now.

We would love to have a TAP for community projects but are concerned that when the project was combined, Transportation Enhancements and Safe Routes came under TAP, both funding pools

lost funding. It was condensed to smaller funding portions. Another program that we would like to see benefit from greater coordination and stronger guidance is CMAQ. In a time of changing social notions regarding transit and multi-modal transportation, the next transportation bill can provide programs and leadership that will be necessary to adapt the U.S. transportation system to meet the changing wants and needs of our residents.

Thank you very much for letting me be here today.

[The prepared statement of Mr. Gula follows:]

**Testimony of Mr. Dave Gula,
Principal Planner, WILMAPCO
Wilmington Area Planning Council**

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

**"MAP-21 REAUTHORIZATION: STATE AND LOCAL PERSPECTIVES ON TRANSPORTATION PRIORITIES
AND FUNDING"**

THURSDAY, MARCH 27, 2014, 9:45 AM Dirksen 406

Good morning, Chairperson Boxer, Ranking Member Vitter, and members of the Committee. I am very happy to be here today to speak about MAP-21 Re-authorization and represent the WILMAPCO region, which consists of New Castle County, DE and Cecil County MD.

WILMAPCO has been active in planning at the community level, and we were very happy to see both the TE and Safe Routes programs carried forward into the TAP with MAP-21. Staff have utilized these funds to move large projects forward in segments during recent years when capital funds were scarce or focused on larger projects. WILMAPCO has also used TAP and Safe Routes to School funds to implement projects that have been recommended by community planning studies, as was done when we completed the Southbridge Circulation Study. Southbridge is a low income, minority neighborhood in South Wilmington that has been a focus of our Environmental Justice report. The circulation study recommended sidewalk, bus stop and intersection improvements, and these were implemented by DelDOT in a more immediate timeframe utilizing TE and Safe Routes to School funding. WILMAPCO's greatest concern with TAP is that when it was created in MAP-21, the TE and SRTS funding levels were lowered from their previous levels, which has hampered our ability to implement community projects.

In looking at other areas of need, we see that freight movements, especially by rail, are coming into greater focus at the regional level. In the WILMAPCO region, we are seeing the need to plan for more track capacity as trains transport crude oil from the Western US to refineries on the East Coast, notably the PBF refinery in Delaware City. WILMAPCO is in the process of completing the Chesapeake Connector Freight and Passenger Rail Benefits Study for our partner agencies, MDOT and DelDOT. One concern with a regional study of this nature is that while this project is important to both MD and DE for freight movement, DelDOT's capital funding could not be used to for physical improvements in Cecil County, MD. The ability to plan regionally through the MPO is not matched by the ability to spend regionally.

WILMAPCO sees similar challenges in planning for regional passenger transit. We support Amtrak's mission and coordinate with them for local planning projects like the Newark Regional Transportation Center, but when considering city to city passenger services within our region, we work with the Delaware Transit Corporation, SEPTA and MTA's MARC service; however, their capital and operating funds are also separated by state lines. The 20 mile gap in commuter

passenger service between MARC trains in Perryville, MD and SEPTA trains in Newark, DE is a constant reminder to WILMAPCO that passenger rail is a regional concern.

At the local level, we struggle to make needed investments in transit for a middle-sized city like Wilmington, DE, and a rural transit agency in Cecil County, MD. As the demographics begin to change in the US, we see both the Boomers and the Millennials finding common ground in transit use, and we see yearly growth in ridership with DART and CCT. Millennials are no longer married to their cars – in fact they would give those up before their cherished smart phones. I know, as I have a 26 year-old and a 19 year-old, and both of them would be lost without their phones, but neither of them has ever owned a car, which has made for tricky household transportation planning in the suburban towns of the WILMAPCO region where I live. The new workforce is gravitating to activity centers, cities and towns, just as the empty-nest Boomers are looking for the same lifestyles. These groups are more likely to rent a bicycle than take a taxi, or just walk a few blocks farther to get some exercise. If we do not make the best investments with our transportation funding, those two groups will be moving to regions that provide them with the most varieties of travel modes.

Linking Land Use and Transportation priorities is that much more important in a time when transportation trust funds are running on empty and in a physical landscape that has been dominated by suburban development. WILMAPCO has participated in studies such as the Churchman's Crossing Infrastructure Investment Study and the US 40 Corridor Improvement Study, in which transportation agencies, local and county planners, and elected officials work together in a public forum to create a multi-modal plan for prioritized improvements in transportation with a coordinated land use plan. The MPO process is an ideal vehicle to facilitate this kind of collaboration.

In closing, WILMAPCO asks that the new transportation bill build on the successes of SAFETEA-LU and MAP-21 to continue and strengthen the focus on collaboration and coordination, which is a hallmark of the MPO process. This type of planning requires time to build relationships and trust, so please give consideration to extending the bill beyond the current two year period, which is shorter than our four year TIP and RTP programs, and providing the program guidance documents with the release of the bill. Please continue to fund the TIGER program, which rewards creative projects and strong local coordination in a very competitive funding format. Another program that would benefit from greater coordination is CMAQ. We have air quality concerns and this program could see larger benefits with greater guidance and more input from local governments and MPO. In a time of changing social notions regarding transit and multi-modal transportation, the next transportation bill can provide the programs and the leadership that will be necessary to adapt the US transportation system to meet the changing wants and needs of our citizens.

Thank You.

Environment and Public Works Committee Hearing

March 27, 2014

Follow-Up Questions for Written Submission

Questions for Dave Gula

Questions from:

Senator Barbara Boxer

1. Your testimony highlights how important it is to look at transportation as multimodal and how communities and goods movement rely on strong intermodal connections. Can you discuss the funding challenges facing your region as it considers projects that will benefit Delaware and beyond?

Delaware's Capital Improvement Program (CTP) is severely constrained by shortages in the State's Transportation Trust Fund, just as many other states and the Federal Government are experiencing. What we see here in Delaware is that large projects with demonstrated need move forward, but it is often the community-based projects that are delayed. DelDOT has made strides to incorporate multi-modal elements in many projects, but there are still times when a project such as a roadway rehabilitation project will be completed, without, unfortunately, the accompanying streetscape and pedestrian/transit amenities. For other modes, Delaware has been able to utilize other funding pools, such as using TIGER funds to move train station projects forward, but there is still a high percentage of state funds invested in those. We have also used TE and TAP funds in recent years to ensure that community projects are completed, even though this often means that they take place over longer periods through multiple phases. Probably the most difficult projects to complete are large sidewalk retrofit projects along roadways built between 1960 and 2000. These are too big for TAP but continue to be delayed in the CTP.

Our experience with Cecil County and Maryland DOT is quite different. The project planning can be much less collaborative and many projects are missing that multi-modal element if it is not added by communities. Cecil County is much more rural and so bike and pedestrian amenities are often overlooked. This becomes a bigger issue with towns that are striving for smarter growth and more walkability.

2. If State DOTs hold back on putting highway and bridge construction projects out for bid, as described by our two representatives from State DOTs here today, is there a ripple effect that will be felt at the local level and, if so, what is it?

This may not be as big a problem for our State as it is for others, due to Delaware small size and unique situation. We seem to get our larger projects underway and completed. DelDOT has definitely put some roadway expansions on hold, but in some cases developer funding comes into play to move a project forward in areas where roadway expansion and land development are in play, together. Delaware's counties do not own or maintain roads, so only the larger municipalities have a road network to maintain. The relationship between DelDOT and those municipalities seems to work, at least in the county in our region, New Castle County.

In Maryland, we definitely do see a disconnect between MDOT and Cecil County. There are bridge projects on local roads that can be delayed for years. There is much less trust in the DOT at the local level.

Questions for Dave Gula

Questions from:

Senator Roger F. Wicker

1. Briefly summarize your relationship between your state Department of Transportation and your local cities and counties.

As we have two State DOTs and two counties to work with, we see two different approaches to collaboration. DelDOT seems to treat each of the three counties in Delaware differently, and in our work with New Castle County, there is cooperation and collaboration. New Castle County is the most populous county in the State, and that may help with the DOT's interest in a partnership. New Castle County owns no roads and has no transportation department so they are very dependent on DelDOT and the partnership functions in both directions.

In Cecil County, MD, we see a different dynamic. Cecil is located at the northeastern edge of Maryland, and while it is adding population at a higher rate than any other county, it is still very rural. Cecil does not have a true partnership with MDOT, and as Cecil's MPO we have to work very hard to collaborate with MDOT in the planning process. Cecil County cannot afford to sit back and wait for MDOT to contact them on local project planning – they have to seek opportunities to provide the local input on projects. Cecil County has its own roads and Transportation Department, so they have more resources at their disposal and are not as completely reliant on MDOT as New Castle County is with DelDOT.

2. Counties own 45 percent of public roads and over 230,000 bridges. However, under MAP-21 allocations, they only receive 16 percent of the funding under the National Highway Performance Program and the State Transportation Program. Are you seeing the impacts of this funding disparity and what can we in Congress do to fix this problem?

As an MPO for two counties in two different States, we two see different situations and approaches every day in our work. In New Castle County, we see an adaptation to the disparity in state vs local funding that seems to work very well: since the county has no role or roads to maintain, they have an advantageous position. A mid-sized city like Wilmington DE has an agreement with DelDOT in which they relinquish authority over and maintenance for state routes within the City, which allows them to use their resources for local roads. This also seems like a relationship that works.

In Cecil County, we see the other side of the coin as county and local roads are maintained but local bridges can be difficult to repair or replace with the small amount of federal funds that are allotted.

I think that this is a point where the MPOs can provide the service that was intended in their formation. With more control over "regional funds", the MPOs can help the counties to receive a larger portion of those funds and have a larger role in coordinating with communities to not only get local projects funded, but to also be part of the project planning. MPOs can have a strong role in prioritizing projects to ensure that each local community gets a fair share of the funding that is available. That approach will work in both of the counties in our region, even though the funding situation and mechanism is different for each one.

Senator BOXER. Thank you all. I found this to be very, very helpful. It was interesting for me to hear from the mayors, to hear from the parish, to hear from the States and all these perspectives.

And I honestly think that each of you has put on the table issues that we can work on together. Some of you, it was just interesting because as I look at each of you, so many of you said bridges, we need attention to our bridges. This is a danger. Some of you stressed the fact that the alternative transportation is working and you want to see that continue. Others said resiliency, given the weather. Others said, give us the funds but essentially, butt out. I heard that.

And that is easy for you to say, because if you guys mess up, then we are the ones who get the blame. So there has to be some way that we can make sure that these funds are used right, just as you would want to make sure, if you gave a grant, that they were.

But I do hear you, and I do think there are ways to move. But I want to sort of press on some of these things. And let me just assume this. Regardless of all of your priorities, can I assume that all of you agree that we must make sure that this trust fund is solid and that it is reauthorized in a multi-year basis so you have certainty? Does anyone disagree with that?

So then I think that is important. Because before we get into how much more flexibility or lack of same or what we will do. We have got to figure this thing out. That is why I was so fortunate to have Senator Carper, now, taking over as the chair with Ranking Member Barrasso. Because he does have the link to the Finance Committee. And that is going to be essential.

So I was hoping maybe, I think it was Mayor Ballard, I think you said how you felt the Cardin-Cochran Amendment was working well. Could you expand on why it is working well?

Mayor BALLARD. Yes, Madam Chair. Because that mandated that a lot of this money goes to the MPOs and the local folks. And that, because of how money flows down from the Federal Government, I think that is very important. Sometimes depending on what State you are in, it can flow in different directions. We are 90 percent of the new jobs coming in, the cities are. So we want to do a good job, and we think we need to continue to invest in the city to attract the talent that I was talking about. And that is why I think the Cardin-Cochran Amendment is very important to Indianapolis, and I think it probably was for other cities.

Senator BOXER. And that dealt with the alternative transportation, did it not, that section?

Mayor BALLARD. Yes, Madam Chair, it did.

Senator BOXER. I think that is so important. Because I have heard from New York and other Senators from other States who say they don't like the fact that some of their States get the money instead of it going to the more local people. In my case in California, we have these planning agencies. It works quite well. So you don't give it to the State, the State takes 10 percent off the top.

So I think you are right. As we look forward, I hope we can do more of that.

Could you expand, Mayor Cornett, about the problems with General Electric? I was confused about that. You have a private sector

wanting to build something and the bureaucracy is not letting it happen. I couldn't follow it. Tell me what the problem is.

Mayor CORNETT. In siting their new location, we were going to reconstruct an off ramp off of I-235 in central Oklahoma City. We were advised by the FHWA that an access justification report would be required even though our people at the Department of Transportation did not think it was necessary, we thought it was a straightforward improvement, just simply enhancing traffic flows on one single ramp. And cut to the end of the story, we have now been delayed 120 days for a process that we don't feel like is even necessary to begin with.

Senator BOXER. And this is off of a Federal highway?

Mayor CORNETT. Yes.

Senator BOXER. OK. Well, and you are using Federal funds?

Mayor CORNETT. Yes.

Senator BOXER. Well, I would assume you would have an interest, since it is a Federal highway using Federal funds. But I don't like the fact that it sounds like it has been held up, and you say there were no, what were the problems that anyone suggested?

Mayor CORNETT. I believe that the tightness of the curb was just a little bit tighter for safety precautions. They wanted to ease the angle.

Senator BOXER. OK. Well, sir, I would suggest, I agree with you, this thing should not be held up. But if it is a safety question, and it is a Federal highway, Federal money and somebody careens off there, it becomes a Federal problem. I just think what we need to do is help make sure that you get these answers in a quicker way. I don't think we should step away. But this could be a difference. I feel responsible, if it is a Federal highway, that it be safe. Because we have situations in California where the State did not do due diligence on a new bridge, and we are very scared about what could happen. Some of the parts came from other places.

But I would love to help you with that. If there is legitimate problems, believe me, I would love to help you with that. What I have found in most of these cases, including Mr. Willox, your point about NEPA, it took 3 weeks, well, yes. But it may at the end of the day mean that you have a better plan. My view has always been, let's have timetables that make sense. I took a lot of heat from my environmental friends because I want timetables, let's move. But I don't think you should just walk away if it is a safety question or an environmental issue.

So this is something we will work on in our reauthorization. It is always a tense situation between Republicans and Democrats. But we found that sweet spot the last time, how do you keep the Federal interest but not make it difficult and unnecessary delays. That is what we will continue to work on as we reauthorize.

Senator VITTER.

Senator VITTER. Thank you, Madam Chair, and thanks to all of you again for being here.

President Fontenot, you mentioned bridges. There are a lot of bridges in need of repair and replacement in St. Landry Parish and in Louisiana. Would it be helpful to St. Landry Parish to be able to bundle some of these smaller bridges together as one project to create more efficiency by reducing red tape, to use common designs

and to be able to tap a larger match, that larger projects could enjoy?

Mr. FONTENOT. Absolutely, I agree, and I have read what they have done in Pennsylvania. Actually, we do look at our position with other parish presidents that this is a regional issue. It is not a parochial issue. So yes, we would bundle with other parishes and the State and yes, partnering and bundling, absolutely. We get a better bang for our buck, we get to clear these bridges, more bridges than just one or two. I think it would advance the process and the project delivery with a great deal more efficiency and a great deal more appreciation from the public. Because they are very smart and aware that it is taking a very long time to go from the idea that a bridge is necessary to be replaced, it is on a list, and then it takes years to get there. So absolutely, that would be a great idea, yes.

Senator VITTER. Great. We will pursue that.

You mentioned your two cent sales tax and the Smooth Ride Home program, as you all have deemed it. Can you talk about that process and the level of trust you developed to pass that and what lessons you think that offers to us?

Mr. FONTENOT. First of all, for such a long time, on the local level, at least for probably our State, and particularly our parish, we were always looking to the Federal Government and State government to solve our issues. Basically I worked in the State government for 38 years, worked with many parishes and looked at things statewide, and in particular talking to the leaderships in the parishes. I saw other parishes start doing for themselves rather than waiting on the State and Federal Government. And working inside the government, I felt I was a bureaucrat, yes, but I had an outsider's point of view.

But I think I had finally reached a practical point of view that I think most of us should have, is that we cannot in this day wait on the Federal and State government to be the solve all, end all. We need to do something for ourselves.

So when I retired from DOTD, I didn't have being the parish president on my radar. But people out there said, well, you are the highway guy, you can help us here in St. Landry Parish. We had 700 of our 800 miles in terrible shape. So I took on the challenge. But went out with these councilmen behind me and others, other councilmen, and actually brought a sheet of paper and hundreds of copies, folded them, we had about 35 to 40 public outreach meetings over a 3- to 4-month period where we sat with 3 people or 300 people, citizens. We advertised that we need to talk to you about this, this is a very important issue to you, it is for us, it is for the future of our parish.

So in reality, I bring you the paper of truth. Here is the budget. There is no money in it on the local budget for roads. So whether you are first or last on a list to be improved, it doesn't matter, it won't happen unless we pass our own tax, fund it ourselves. And for the most part, our citizens were for sales tax rather than property tax. So basically we brought them the paper of truth.

Senator VITTER. And I take it in that discussion a key, maybe the key, was complete dedication?

Mr. FONTENOT. Absolutely.

Senator VITTER. This money is not just for this area of activity, but these projects?

Mr. FONTENOT. Right. In fact only for roads and bridges and related drainage, to make sure the road drains. And we also brought in the paper of truth the actual legislation that they would vote on to create a law and not depend on a promise. Many times we heard in the past that issues had failed because they, when we had, let's say, racinos brought into our parish through legislation, they said, well, the racinos were supposed to be the solve all, end all, and basically they had never seen the legislation.

So we brought it to them. It has nothing in there about being dedicated to highways. So we brought them the paper of truth and said, this is what you vote on. If you vote on this by the summer of 2014, we will be paving roads, and we plan on doing that. So 60 percent of the voters passed it, first time in the history of the parish.

Senator VITTER. Thank you very much.

Mr. FONTENOT. Could I say one thing about the alternative financing, which was enhancements? When I was a district administrator, I felt that when local folks came, they came, we knew we needed hundreds of millions of dollars of highway improvements, interstates, national highway system, local roads. But we all know, and even the most unreasonable person knows that takes a long time. But when you have a piece of funding offered to repair sidewalks and do the bicycle paths, that shouldn't take a long time.

So I am not saying that you should have this legislation in place and then get out of the way, but I think what we are saying, and I believe I am correct on this, we shouldn't have to jump through all the hoops for a million dollars' worth of funding compared to the hoops that have to be jumped through for a hundred million. So maybe we could have a tier there, or a level, or a limit, that when you reach a hundred million or less, you could have less bureaucracy for it. Like hiring our own consultant engineer. We can do that under the same rules and laws, and you guys could audit it, and if we don't do it right, well, then, take that from us. But maybe have a limit on the funding, where we could set a tier where under that certain level of application of funding, we could do some of the work ourselves in coordination with you guys.

Senator BOXER. We will look at that. A hundred million is a lot of millions. But I got your point, and I think it is well taken.

Senator Sanders.

Senator SANDERS. Madam Chair, my understanding is, we have heard from all of you that, I think we are in agreement that our infrastructure is crumbling. We need more Federal assistance. We need it long-term, we need reliability. We have heard that small towns, rural towns in Vermont and Wyoming are different than big cities, we need flexibility.

Now, this committee, as the Chair has indicated, does not really deal with the financing. But, so as to make your life a little bit miserable, let me ask you a question. At a time when many of our people are struggling economically, at a time I know in Vermont people travel long distances to work, I am sure that is true in many rural States, we are struggling with how do you fund the Highway Trust Fund.

Very briefly, just very, very briefly, why don't you give us some ideas? This committee doesn't deal with it, as Senators we are going to have to deal with it. What do you think? Just very briefly go right down the line. What are your ideas?

Mr. LEWIS. Senator, I think one of the answers to that question is timing, what could we implement and in what period of time. I think there has been a lot of discussion about shifting to perhaps a mile traveled fee, or a user based fee based on distance of travel. There are pros and cons to that, but I think we are starting to work through some of the issues. Oregon has done some pilot work on that, other States are becoming more interested in that.

Senator SANDERS. OK, you see that as an option?

Mr. LEWIS. But it is not going to happen overnight.

Senator SANDERS. OK. Ms. Minter.

Ms. MINTER. I would agree with my colleague, and as you know, we did 2 years ago, last year, increase our gas tax and diesel taxes to make up for the difference in the decline in the vehicle miles traveled, and the increasing emissions. Improving the vehicle emissions standards has meant that relying on that transportation, for transportation, is simply not sustainable.

So if we want to have a user fee approach, that is why we are looking to the vehicle miles traveled. Electric vehicles, while they save, are not going to be able to pay into that system.

Senator SANDERS. Mayor Ballard.

Mayor BALLARD. I would be remiss if I told you that I understand all of your funding mechanisms and all the things that are available.

Senator SANDERS. We don't either.

[Laughter.]

Senator BOXER. Well, it's pretty much gas tax.

Mayor BALLARD. But we were pretty creative in the city of Indianapolis, when we did our RebuildIndy. I do think eventually the VMT is going to have to be something we look at, in Indianapolis, or we are deep into technology and moving in that direction. So that was probably something to be looked at.

Senator SANDERS. Mr. Mayor.

Mayor CORNETT. Two thoughts. I think whatever taxation system is used, it needs to be tied to miles driven. So I think the gas tax is an appropriate solution.

I would also, though, recommend that we start spending more on R&D so we can start reducing the cost of the projects themselves. I am still waiting for some big technology advancement in infrastructure, in raw materials or in construction costs or design, that can somehow reduce the costs of these so we don't need to raise so much money.

Senator SANDERS. Mr. Fontenot.

Mr. FONTENOT. Certainly everybody wants it, and nobody wants to pay for it. But I will tell you, I think we ought to offer up the papers of truth and tell them what it will cost if we use VMT and what it will cost if it is a gas tax. But there is no doubt it needs to be increased, funding needs to be increased. Thank you.

Senator SANDERS. Mr. Willox.

Mr. WILLOX. Senator, it is no doubt above my pay grade to figure out the financial mechanisms. But I think the key is, whatever

mechanism you look at has to have the realization that New York City and Converse County, Wyoming, have different needs and different purposes. I think whatever funding we get, the more we spend on concrete and pavement and the less we spend on paper, that is where the taxpayer really benefits. So I go back to my flexibility question, whatever the formula is.

Senator SANDERS. Mr. Gula.

Mr. GULA. There is not much left, once you get to this end of the table, that everybody hasn't already said. We certainly agree that the vehicle miles traveled is another way to look at it. It would follow that hybrids and better fuel efficiency, individual States need to be willing to raise their gas taxes and index them to increases. Because we have already seen that in Maryland and Pennsylvania and Delaware, you have to do so. So they are in the process of trying to do something.

Senator SANDERS. My very last question is, talk about investment in infrastructure and jobs and the economy. If we provided you with substantial sources of funding, we had a creative relationship, does anyone doubt that that would not be a significant job creator, both in rebuilding the infrastructure and the long-term impacts of the strong infrastructure on job growth?

Mr. LEWIS. Senator, it is absolutely a direct tie. There is no question about that. And we saw that with the American Reinvestment and Recovery Act. Those dollars went right into the infrastructure, right into the local communities, right into paychecks. I think a \$100 million investment in Rhode Island equates to 1,300 job years of employees. You can see it all across the country, big projects, small projects, what investment in infrastructure has done for the local economy. You just have to look to the Boston area, to a very controversial project that I was previously involved with and what it has done for the economy of Boston, Massachusetts.

Senator SANDERS. But not only the jobs created by the projects themselves, but long term, the ability to bring in investment in improved infrastructure. No one has any doubts about that?

Mr. LEWIS. That's exactly right.

Senator SANDERS. OK. Thank you very much, Madam Chair.

Mr. FONTENOT. I would say, though, that we need to get going. Because it takes a long time to jump through these hoops. That is why I say, with the smaller projects, let us get some of that done and you check on us. If we screw it up, take it away from us.

Senator BOXER. Anyone who has convinced the public they have a paper of truth is someone who I will listen to.

[Laughter.]

Senator BOXER. Senator Fischer.

Senator FISCHER. Thank you, Madam Chairman. And I will listen to you also, thank you all for being here today.

When I visit with the Nebraska Department of Roads, there is a lot of frustration that these very limited Federal dollars that we have are being used on the requirements, on a lot of paperwork and that really don't affect the social or the environmental or historical aspects of these projects. Many of you have mentioned that, and your frustration with it as well. Chairman Willox, in your testimony, you say that counties must submit to several pages of envi-

ronmental review forms to multiple Federal and State agencies, further lengthening the time it takes to receive approval.

Do you have any estimate on the cost that that is going to add to projects in your county?

Mr. WILLOX. Senator, I can't give you specifics on it, because it varies so much by which project and what the hoop is you are jumping through. But I can give you two paper examples. We are improving a road that is in my written testimony, we are putting a culvert into this road that has existed since 1892. Our application to the Corps of Engineers was 82 pages plus maps to disturb 960 square feet of dirt. It is a road that has existed long before any of us here, long before the regulations were created. But we are jumping through that hoop.

Another county in Wyoming participates in the High Risk Rural Roads project. To just add guardrails or to be put center yellow lines striping on the road, they had to submit paperwork. Now, it wasn't huge and burdensome, but if you are going to paint yellow stripes on the road, you shouldn't have to apply to do that. It should be instantaneous, it should be quick.

Senator FISCHER. Do you think maybe this committee and this Senate needs to look at how we address the categorical exclusions on projects? I think that is what you are talking about on these, and the amount of paperwork that goes into them and the back and forth with the different agencies and the bureaucracy involved in that. I see a lot of nodding on the panel, that many of you think so. Do you think so, Chairman?

Mr. WILLOX. Senator, categorical exclusions is a step in the right direction. But it is still a process we have to go through to get to categorical exclusions. So it definitely is a movement in the right direction and that has been official. But that time, money and effort isn't concrete, pavement and bridges. That is what I get stopped in the grocery store about, make sure Road X is paved, pot-hole fixed, bridge redone. They don't say, fill out more paperwork so we can get it done. They want action on the ground.

Senator FISCHER. Right. Thank you.

Mayor Cornett, in your testimony you talk about encountering those Federal stumbling blocks. Can you give me some examples of those as well, and the burdens that they place on your project delivery? And what do you think are some of the biggest obstacles that you are faced with, the different Federal rules and regulations?

Mayor CORNETT. Well, one example is that I-235 project, which in Oklahoma City is near 10th Street and Harrison. We were trying to address some traffic flow situation for the General Electric facility that is getting ready to be built. We assumed that we would not need what is called an access justification report. But we were informed by the Federal Highway Administration that we would need it.

And we are now 120 days beyond where we think the project should be. It is a very, very simple project, and we are just trying to enhance the safety and enhance the traffic flow. It just seems like there is unnecessary paperwork and bureaucracy in between it.

Senator FISCHER. Thank you so much. Director Lewis, with the State Department of Transportation in Rhode Island, how would you characterize, I don't mean to put you on the spot but I am going to, how would you characterize your department's relationship with your Federal partners? And are there any areas that you can maybe point to for improvement?

Mr. LEWIS. That is an excellent question. We have a very good relationship with our Federal partners in Rhode Island. I think many of us have spoken about that, and the real key to success is when we are all working together with a common goal. And I think the successes you will see across the country are rooted in that. The city, the State, the county and the Feds are all working together. When one or more are separate from that group, that is when you run into problems. Because if we are all pulling in the same direction, we are going to get a successful and a quick turnaround.

Senator FISCHER. Do you see quick turnarounds, or do you see maybe some delays, too, with paperwork, as we have heard?

Mr. LEWIS. We have our own share of issues that we would like to accelerate. I think characterizing it on the whole, we have a very good relationship and a very responsive division office for the Federal Highway Administration. We have no question there are issues.

Senator FISCHER. We work so hard for funding for these projects. And it is very frustrating to sit back and watch the delays as construction costs increase. And they are increasing by double digits, percentage-wise in many, many cases. So thank you for everything you have done. Thank you, Madam Chair.

Ms. MINTER. Madam Chair, if I might add, at the same point, we learned a lot of lessons during the disaster. And one of them is really about everyone working together. I would say that our relationship is very strong. But we are looking at innovations in how we permit projects. So I think the sweet spot is not to reduce the standards, but to improve the process to get there. It is amazing what can happen in a crisis. When we had our regulatory agencies with us onsite, we were able to move very expeditiously and meet the standards. So I think that might be the goal.

Senator FISCHER. I think, if I may respond, Madam Chair, I think that is a great suggestion. Because when we do see disasters happen, this is a time when we come together, when we are able to get these projects done. And sometimes the regulations aren't as strict as they are in a normal process. I think we need to look at what truly is required during the construction period in order to make sure wise decisions are made. But if they can be waived in case of an emergency, why can't they be waived in the normal everyday process of trying to build our infrastructure and create jobs in this country?

Thank you very much. Thank you, Madam Chair.

Senator BOXER. I would say this, having gone through some of these rebuilds after earthquakes and so on, we never waive quality. You can't waive quality. I was thinking, Mr. Willox, when you spoke about the yellow lines and talking to my staff, there are categorical exclusions. And Senator Fischer, you and I can work on making them work better.

But sometimes there are certain rules that you want to make sure that the paint, for example, is the right quality. You want to make sure that the people who work on it are treated fairly. There is an argument about this. What I am saying, and I don't speak for everybody, but my view is, has always been, that when we are responsible for the money, you have to have some standards. I despise wasted time. Because it absolutely is wasted money.

In the last MAP-21, we definitely moved forward on speeding things up. We actually went to a point where we said that the Federal workers and bureaucracy who were responsible for holding things up would really feel a pinch in their budgets. We really did a lot.

But again, it is a question we all have to decide for ourselves. I know that if I were saying, move forward, go ahead but don't meet the safety requirements, I would not feel good about it. And when we did do what Senator Fischer described, we moved together. I remember. Because Pete Wilson was the Governor at the time. And I was in Federal office. We all worked together. She is right, we were all together in saying, we have to rebuild. But we never, ever said, waive the safety standards, waive the way you treat your employees.

But the fact is, if we can do this in an emergency, she is absolutely right, we should be able to do it every single day. Unless there is some unexpected issue. That goes for all of your projects. We should be able to get you timely responses and move forward with the plans that work.

Senator Cardin.

Senator CARDIN. Once again, Madam Chair, thank you very much. I appreciate the exchange you had with Mayor Ballard and the kind comments that were expressed. Thank you for that.

Mayor Ballard, I thought you made a very good point in your testimony about the fact that the interstate program recognized the reality that Americans wanted to travel out to suburbia and that our transportation infrastructure should accommodate the needs of our Nation. Today the reverse is true, as you point out in your testimony. People are coming back into our urban centers. And that is wonderful. Smart growth was a major initiative in Maryland under Governor Glendening. People recognize that we have to do a better job of accommodating what people want today, and that is to live in our urban centers.

Therefore, our transportation programs need to be sensitive to that. That is what Senator Cochran and I have tried to do with Senator Boxer's help. We marvel at the way in which you have given us concrete examples as to how that has worked in practice. We have talked about livable communities but it is also a matter of using these funds for safety issues, where you can use these funds to deal with realities of a dangerous situation in your community that can help you alleviate that, saving lives and helping people.

So I just really wanted to underscore that point about how we need to make sure the highway system, the transportation system, surface transportation, accommodates local input.

I served 20 years in the State legislature. And I know the relationship, in my State, between my State and the counties, and it

is a good relationship. But at times it is tested when it comes to the use of transportation funds, that the main decisionmaker is the State. That is how the system is set up. The State has the largest single say in how the transportation funds are allocated, including the Federal transportation partnerships.

So I would just like to get views, if you care to share them with us, as to how the MAP-21 is working and the relationship that you have between the State and the locals and whether the transportation programs need further adjustment or whether you are satisfied by the way in which that partnership, coming from the Federal Government, is working between the State and the localities.

Mayor BALLARD. Senator, thanks for those comments. I am one of three mayors on the National Freight Advisory Committee that is devising the national freight plan. I am very honored to do that for the Secretary of Transportation. But I am also a mayor, and I have to advocate for cities, obviously, not only my city but across the Nation.

I do think it is important that as much money—Indiana is a little bit of a different State maybe than most. It is very rural, with one large region, about 1.8, 1.9 million, several medium size cities. So a lot of money that goes to the State necessarily goes to the highways. On a percentage basis, we probably don't get our fair share of the core highway funding that comes in, not even close.

But would I like to see that adjusted a little bit? I probably would, but not to the detriment of the entire State. I do think the cities do a good job of investing. And the RebuildIndy fund that we put about a half a billion dollars out there, has been instrumental in putting people to work. The money that you are talking about, transportation alternative money, the Cultural Trail has spurred investment that is unbelievable in the city of Indianapolis. Just yesterday, Cummins Engines announced that they are moving offices downtown Indianapolis to be next to the Cultural Trail, 400 jobs, a Fortune 500 company. We are building all around this trail and other trails because of this money that has come to us directly, either to the MPO or to the cities.

Senator CARDIN. It is interesting, the Transportation Alternative Program, there are those who say you don't need it because the States could do this anyway, they could allocate the funds. We don't find happens. It is such a challenge to be able to fund all the priorities they have at the State level that there is really virtually nothing left over for these types of projects, if we didn't have this specific program.

Mayor BALLARD. We take pride in being the capital city and throwing off money to the rest of the State. To be frank, we don't get everything back from the State tax revenue that we contribute to. We have to donate some of that to the rest of the State. We are proud to do that, that is fine.

But if you don't invest in the city directly and have money directly coming into the city, then we cannot continue that growth in our tax base. That is really what we are worried about. We are always worried about increasing the property tax base and the income tax base in the city so that we can be that vibrant capital city for the entire State. So the money that you are talking about, Senator, and that you have been so helpful on, has been absolutely

critical to the growth of our city and as a consequence, to the growth of our State.

Senator CARDIN. Madam Chair, let me must make one other note about Mayor Cornett. I know he gave a TED talk, how an obese town lost a million pounds. So perhaps our transportation program can help our health care costs in this country also, as another additional benefit of some of these local initiatives.

Mayor CORNETT. We always want people to be more pedestrian friendly and more health conscious, that is right, Senator.

Senator CARDIN. Thank you.

Senator BOXER. Well, that is very good, because we always have a battle with that alternative transportation section. I am going to quote both of you Republican mayors who were so eloquent on the point. It means a lot to us, really, because we do want to have a good bill that answers everybody's needs. Not everybody feels the same way, so we just need to make sure it is a fair bill.

Senator BARRASSO, we are very happy you came back. The floor is yours.

Senator BARRASSO. Thank you very much, Madam Chairman.

Mr. Willox, I was just going over your testimony again. I heard you, as you said about pulling out the specific line beyond the critical need for Federal financial resources, the success or failure of Federal highway programs in Wyoming can be reasonably predicted based on one question: does the program provide enough flexibility. You highlighted the word flexibility at the local level, to meet the unique needs of Wyoming's climate, terrain and rural nature. I think you heard the same thing from Senator Fischer from Nebraska, very similar concerns.

Just like any Federal Government program, there are always strings attached in terms of Federal money when the State and local governments decide to accept that Federal funding. More often than not, the Federal programs offer a one size fits all approach of how the money is going to be spent. You gave an example of a bridge, I think it was in Platt County, that needs repair, and it would cost about \$130,000, but it will end up costing a million because the county has to accept the level of engineering, bidding, environmental and construction requirements, as you said, that pushes the price tag 10 times higher.

From your experience, can you share with the committee some other examples, perhaps, of local projects, where local and State flexibility outweighed the benefits of the Federal funding? Are there others?

Mr. WILLOX. Thank you, Senator Barrasso. The challenge always is just what hoops do you have to jump through and do you have the time, money, and what is the end result. As a steward of taxpayer money at the local level, we want to spend those dollars wisely. That was Platt County's point. We can participate in the program and build the bridge, but why waste hundreds of thousands of dollars for a bridge that isn't necessary? We had one recently where we had to replace a river bridge, a major bridge in our area. We were going to participate in the BROS program, the Bridge Replacement Off-System. But because of the standards that were required, we may have had to look at a two-lane bridge for a location that had average daily traffic of under 25. We didn't

need a two-lane bridge. But the BROS standards and some of those things would have required a much more robust bridge than is necessary.

There has been a little bit more flexibility created, and we are going in the right direction. But we decided to fund entirely with local funds this bridge for \$1.2 million that probably would have been a \$2 million bridge if we had participated in the program.

Now, the county would have spent less money because the BROS program is a 90-10 program, and we would have spent less. But it wasn't a wise investment of tax dollars.

Senator BARRASSO. And you take a look at Converse County and the increased energy production that is going on, Converse County essentially is experiencing a boom in terms of oil and gas, uranium production as well. The increase in manpower and equipment is putting a stress on the highway system, especially at the local level, the county level. From the local perspective, I would like you to share with the committee how Converse County is dealing with the increased energy production on the roads and bridges.

Mr. WILLOX. That is significant, Senator. These are heavy vehicles. We have traditionally rural roads that are now having energy production on them. So we are getting heavy vehicles out there.

We have done several public-private partnerships that we have worked with the energy companies and others. Not the traditional ones you guys think of here, but we will let you work on our road, go ahead, and they have done that. We have also had to deal with planning because revenues always trail the impact. The same thing with the Federal Government, without a long-term plan we can't get ahead of the curve. So we have worked hard to win partnership, we have tried to do patching where necessary and then have a long-term plan behind that. But sometimes you are spending double dollars.

But what we have really tried to do is look as far forward as we can but without the assurance of the long-term Federal bill, we don't know how we fit in that picture.

Senator BARRASSO. And we do have a short construction season in Wyoming. It generally starts in May, ends in October, if the weather cooperates. Unlike many warm construction season States, we don't have the opportunity for year-round construction. Due to cold weather climate, what can this committee do to improve the highway bill to reflected short construction seasons and then optimize Federal highway spending?

Mr. WILLOX. And it goes back to my original statement about flexibility, and let the government at the lowest level make those decisions. If you can't get to this place until April 1st to do your engineering study, and you have 6 weeks of review through any part of the environmental process, by the time you have gone to bid, awarded the bid and started construction, you could be at September 1st because you couldn't start the process.

I think it is also key to note, Senator, that all of these Federal programs, we have skin in the game. They are generally match programs. So when we talk about stewardship of the dollars that Senator Boxer referred to, I think it is important that we have skin in the game and we want accountability and we are held accountable at that level just as you are at this level. So I want to make

sure that all tax dollars are spent wisely whether they are locally generated or funneled through the Federal and State system.

Senator BARRASSO. Thank you so much for your testimony. Thank you very much, Madam Chair.

Senator BOXER. I really am fascinated with the one-lane bridge. Seriously. Because I guess I don't think I have been on a one-lane bridge. We have a lot of rural areas. So I guess I just need to ask you a question. What if more population comes to that area? Don't you think it would make some sense to build a two-lane bridge, and maybe the Federal Government feels that way before they invest money in it? Because it could be obsolete. It is such a gorgeous State, you never know, in 10, 20, 30, 40 years, and these bridges last forever. So do you think it is that unreasonable? Talk to me. Tell me the truth.

Mr. WILLOX. And let me extend an invitation to come and visit these wonderful one-lane bridges. It would be an experience.

Senator BOXER. If I came over with you, I could hurt you politically.

[Laughter.]

Senator BOXER. And Lord knows what it would do to me.

[Laughter.]

Senator BOXER. But I will consider it, notwithstanding.

Mr. WILLOX. We could do a low-key tour, if you would like, under the radar, if you would prefer. Tour some coal mines, it would be terrific.

[Laughter.]

Mr. WILLOX. It is a good question.

Senator BOXER. It would kick up my asthma.

Mr. WILLOX. Absolutely, it would not.

Senator BOXER. I am teasing. I don't have asthma.

Mr. WILLOX. We asked that same question, because it is a legitimate question, what is the potential for this area. We know locally what that potential is. There are 25 vehicles a day, that was the highest traffic this bridge has ever seen, and it is local traffic.

Senator BOXER. They all go in one direction at the same time?

Mr. WILLOX. In rural Wyoming, you stop and pull over to the side of the road all the time for vehicles coming toward you. That is a way of life, it is a culture. So to spend the kind of money for a two-lane bridge would have been viewed, at our level, as a waste of money. It was a one-lane bridge that burned down, it was actually an old wooden bridge. It burned down, we replaced it with a steel one that has the weight capacity for emergency vehicles, a fully loaded fire truck can cross that bridge and provide emergency services.

But it is 300 feet. I can tell if there is a truck on the other side. So I would say in this case, we knew best that there was no—in the next 20 to 30 years, with the alternate routes and this bridge, there was no need to spend the extra dollars.

Senator BOXER. Good point. Well taken.

Senator Carper.

Senator CARPER. Again, my thanks. This is a fascinating hearing, wonderful witnesses. We thank you all for the perspectives that you are bringing to us from places large and small.

I want to ask a question or two of Dave Gula. Dave, thanks so much for the work you do and for joining us today. When we passed MAP-21, we included in it a number of reforms to transportation programs to focus on things like safety, like congestion mitigation, like state of good repair, air quality. Unfortunately, we didn't make much progress on the issue of freight and goods movements. As you know, we have a lot of freight that moves in and out of the northeast corridor, a bit of that moves through our State on rail and even by ship.

If we were to take another look at the Federal freight policy, what advice would you give us for how to plan our investments and develop projects?

Mr. GULA. Since we approach planning from a regional perspective, in our area we have to, we look at rail, we have the northeast corridor passing through our region. But we have a number of spur lines, and most of them come from one location. So we have freight coming in primarily from Cecil County, Maryland, to the northeast corridor, passing through Maryland, coming down into Delaware, hitting the whole DelMarVa peninsula, where it spreads back and forth through States. So our rail networks are intertwined with our sister States.

I think a regional approach is one way to look at this. Again, when we talk about the northeast corridor, the flexibility of funding that is not tied to State lines is going to be important. Because there are projects that are good for a number of States that it is hard for everyone to contribute to if it is in one State. One of the things we have seen is, if we could potentially spread the local funding, the STP funds around, some of the projects that are waiting on funding along the northeast corridor that technically are Amtrak projects, but the local States could then contribute a little bit more and get those projects moving and they wouldn't sit waiting for a large Federal grant that may never come.

Senator CARPER. All right. I would just say, Madam Chair, to our witnesses, if you took a compass, and you put the point of it the Wilmington Train Station, on my office in Wilmington, our Congressman's office, he is right there at the point, we are a 50-mile circle around that point. And you cover parts of Maryland, parts of Pennsylvania, parts of New Jersey. And you have a hugely busy northeast corridor by the I-95. Passenger rail, freight rail, with Norfolk Southern, CSX. There is a lot going on for a little State.

I was pleased to hear what you said about providing some flexibility through the Surface Transportation Program not to require that State and local governments use moneys in that program for interstate passenger rail but to give them the flexibility if they chose to do that.

Question if I could for Mayor Ballard. We used to have a great former mayor of Indianapolis, as you know, who served here in the U.S. Senate with great distinction for a number of years. And I think we had another mayor there who has gone on to become your Governor. Was Mitch ever your mayor?

Mayor BALLARD. Senator, no, he was not.

Senator CARPER. I think he wanted to be.

[Laughter.]

Mayor BALLARD. He did well as Governor.

Senator CARPER. I think mayor is a great job. Especially when the economy is getting better, as it is. But you have done some really good things, and frankly, both you and our friend from Oklahoma, we welcome you especially. You have done a lot of work to turn Indianapolis into a truly multi-modal city with good roads, good mass transit, bike paths, sidewalks and good passenger rail. I have always thought of a regional transportation network that offered people lots of different travel options, some of which involve physical activity and the chance to get out and walk or run or ride a bike.

Can you tell us a little bit today why you supported such a range of transportation options? You mentioned this already but I wanted you to come back and do it again, and how the Federal program that we are talking about here could better support those efforts?

Mayor BALLARD. Thank you, Senator, I would be glad to answer that. I appreciate the kudos to Senator Lugar, whom I respect quite a bit obviously. We are trying to create the kind of city that people want to live in. The young people, young professionals, the young families are looking for a certain type of city. The multi-modal, the multi-transportation options are so critical. When I became the mayor of Indianapolis—

Senator CARPER. How long have you been there?

Mayor BALLARD. I am in my seventh year. We had one mile of bike lanes and one of my running jokes was, what does one mile of bike lanes connect to? I have no idea. But now we have 82 miles of bike lanes and we have additional trails because of transportation alternative money, which really helped on the Pennsy Trail, which now connects to the Cultural Trail. That was the latest example. Now people can start riding and walking around the city in the way that they want to. They want to go outside their door, and as I say, they want to live local, shop local, eat local and do things around them. The sports facilities, the entertainment options, they want them close by and they want to be able to get to them in multiple ways.

We believe that attracts talent to the city. We believe that attracts the kind of people, and the kind of attention that we are starting to get nationally and internationally, I think that is pretty obvious. Just yesterday, Cummins, every multi-national company is in the search for talent, and they want to be in a city that can do that internationally. The Cultural Trail has gotten a lot of attention. They are putting their new office space right on it. We just got a 28-story multi-use building, primarily residential, but it is going to be multi-use, right on it.

That is very important to us, because the transportation alternative money gives us the opportunity to go multi-modal, give these young people options on ways to move. And frankly, the senior citizens use them quite a bit also. We have a lot more bicycles in the city now, we have a lot more people walking on the trails, we have a lot healthier climate now. It is not where we all want it to be but it is a lot healthier than it used to be.

So it has been very important to us to have the money flow down in a particular way to us, so we can build the kind of city that attracts that sort of talent. That is why we are doing that.

Senator CARPER. Ms. Minter.

Ms. MINTER. Just to add, I wanted to build on the urban situation.

Senator CARPER. You are from a big State, Vermont, right?

Ms. MINTER. Yes, big State, big rural State. But these programs are essential for our communities as well. We have a real focus on vital communities. Without the transportation alternative programs, small communities of a thousand or less seriously cannot afford this. So we have a very competitive program. We have a statewide policy of focusing on developing of our small villages and downtowns, and people are clamoring for bike paths, for more sidewalks. All of the economic benefit that comes from when you have a vital community, it is not just our large urban centers, it is our rural States as well, that are dependent on these important funds. So thank you.

Senator CARPER. Madam Chairman, I would just add that we are in a country where over half of the people in our country now are obese or on their way to being obese, the idea of having these different options, there is another benefit as well. We can think about how much more we spend for health care costs than other countries. Obesity is a big driver in that, diabetes is a big driver in that. There are a lot of benefits that inure from these initiatives. I commend you all, thank you.

Senator BOXER. Let me just say this.

Mr. FONTENOT. May I add to that?

Senator BOXER. Yes, please.

Mr. FONTENOT. Besides the obesity, with those projects, and if we set those thresholds to allow for quicker project delivery, it builds credibility in the government process. It also brings to us voters who will vote to help us raise revenues. Those people, as you can see, the cities are filled with those people who like cycling and sidewalks. They are soft projects, so let's bring them quickly so that we can bring that confidence and vote on our behalf for the bigger scene.

Senator BOXER. I hear you. One of the reasons that I think Mayor Ballard cited the Cardin-Cochran language is because money goes directly to where you want to get it. That is one way. The other way is to use your idea of saying, if it is not a huge, significant project, give more flexibility, which we will look at.

I want to ask, I know it is delicate to ask this question, I want you to know that this Transportation Alternative Program was one of the hardest things I have ever done in my life, to get it, to keep it. There was a huge problem here in getting it done. I am wondering, because we have made these reforms, because we now deliver the money where it should go, is there anyone on this panel that feels strongly that we should get rid of that program? Is there anyone on the panel? That is important for me to know.

I want to say that, Mayor Ballard, if it is possible, because you are such an eloquent voice for this Alternative Transportation Program, if there is a way for you to get a few mayors on a letter, as many as possible, to me and to Senator Vitter, and I know you have just a few here who I think would sign it, it would mean a lot. Frankly, I don't want to see this thing go into another meltdown, is this going to ruin the whole bill and the rest of it. So if you could help us with that, it would be hugely important.

I will tell you this, and I know there are some people in the audience who are going to be advising, AASHTO, and others, on it. Just know, this is a must-have for a lot of us here. We want to make sure it happens.

I also wanted to make sure, Mr. Willox, that you know, I think you do, that we did take many steps to streamline MAP-21 in the last bill. I have them all listed, I won't go into all of them. But one of them is sort of interesting. We expanded to all States the previously enacted pilot program allowing States to assume the responsibilities of the Secretary of Transportation under the environmental review process. So in my State, there is no Federal environmental review process, it is done by our State. Our State does it and then shows it to the Feds. It is an equivalent process.

I just think it is something you might want to look at. Because you could do it and as long as it is done well, it should be OK.

So let me say to all of you, this has been so important. We have already heard from the very large States. One more thing I wanted to say, the large States are very happy with the TIFIA program. You didn't talk about the TIFIA program I assume because it is more important to the larger cities and the larger States.

But would you be supportive if we looked at a TIFIA program that was expanded to make it easier for rural and small communities to get the grants for TIFIA? If you don't know what TIFIA is, it is the Transportation Infrastructure Finance program, that if you, for example, Mr. Fontenot, if you pass a local measure, and it is money that is coming in over 20 years, we can come up front, give you that check right now and then you just pay us back over that 20 years.

So let me just say this, is there interest? Raise your hand if you would be interested in working with us toward making that program, adding a component to that program that helps the smaller cities and towns? I see everybody said yes. So we will work with you on that.

But I also wanted to say, Mr. Gula was the one who pointed out in his original testimony how important exactly what you said, that people want to be able to walk, they want to be able to ride, they want to be able to keep these cities, they want to keep the young families, because that is what they are looking for. In the old, old days in California, people said, I want to go live on a mountaintop and seriously, and raise my kids up there in the hills. And we have beautiful areas. The trouble with that, they found out years later, is the kids really wanted to be a little lower down so they could walk to the store and walk to school, didn't have to count on Mom and Dad for everything.

So I think Mr. Gula and both of our mayors have made the point, and our Louisiana and Vermont people, everybody made the point, that this is a lifestyle that is now developing out into the future, where we need to bring all this together. I just want to say how thrilled I am with this panel. I don't have a Californian on here, but I got to tell you, you spoke for a lot of my smaller cities and towns.

Did you want to add something before we dismiss?

Senator CARPER. I am Tom Carper, and I approve this message.
[Laughter.]

Senator BOXER. Very cute. It is good to have a wingman that trusts you so much.

Well, this has been terrific. We stand adjourned. In April, we are marking up the bill and I hope you will be happy with it. Thank you. We stand adjourned.

[Whereupon, at 12 p.m., the committee was adjourned.]

[Additional material submitted for the record follows:]



**Testimony of Mayor Stephanie A. Miner
U.S. Senate Environment and Public Works Committee
Submitted: March 27, 2014**

Chairwoman Boxer, Ranking Member Vitter, I appreciate you taking the time to review my testimony. I also appreciate Senator Gillibrand's leadership on issues affecting cities and Upstate New York.

It is most appropriate to begin this testimony not with figures and statistics, but with a story. On January 30, 2014, I was driving home along East Fayette Street and saw a river of water descending down the street next to me. Rivers do not run in January in Syracuse. I immediately called my staff and the Commissioner of Water to report what turned out to be a break in a major 12-inch main. This was only one of a number of water main breaks that day. At one point it was estimated roughly 20% of the City of Syracuse was without water or had low water pressure due to water main breaks that day. To date, we have had 155 water main breaks in the City of Syracuse, compared with a total of 354 in all of 2013.

Each day when I come into my City Hall office, I am reminded of that incident and the greater implications of our ongoing infrastructure crisis. On display in the lobby of my office is a large photo of a water department crew at work fixing a main break in a nearly 20 foot deep hole in the middle of Downtown Syracuse. Just beneath that is a small section of wooden water main that was found beneath Emerson Avenue. It was laid in 1890 and kept in service much longer than needed. Visitors are often shocked to learn that, even while we no longer utilize wood mains, many of our neighborhoods are still being served by pipes laid over a century ago.



On March 19, 2014 this Waste Management trash truck became stuck in sinkhole where a water main had broken.

Today many people talk about what makes a city vibrant. Under my administration, we have made Syracuse a twenty first century city on the move. We've seen record levels of permits issued and cranes in the air, a complete turnaround in our Downtown, and neighborhoods reimagined for a new generation. Our long dormant Inner Harbor is on the verge of a \$300 million redevelopment. Syracuse is also the first Say Yes to Education City in America: our schools partner with the Say Yes to Education Foundation to offer programs and services to students and their families and Say Yes funds full tuition scholarships to colleges across the nation for Syracuse City School District high school graduates.

Despite all this good news, what keeps me up at night—what keeps any mayor up at night—is the prospect that it could all change in a heartbeat. No matter what incentive we offer to entice businesses to Syracuse, if we cannot provide water or sewer or good roads they will not come or stay. The foundation of economic and community development rests on the stability of our infrastructure. Enterprise cannot succeed in a crumbling city. Providing quality infrastructure is the most fundamental and essential mission of government. Furthermore, even with my administration's responsible fiscal management, Syracuse has spent years on the precipice of financial uncertainty. We are one major road collapse or water main break away from being forced to make untenable decisions.

This is why federal investment in local infrastructure—specifically the Moving Ahead for Progress for the 21st Century Act (MAP-21)—is critical to our communities. We are all invested in seeing a thriving future for America's cities. The path to that future is through the robust funding of infrastructure in our communities.



In this now iconic image which hangs in the Mayor's office lobby, City water crews work on a major water main break in the middle of Downtown Syracuse in February, 2013. (Credit: Anatoli Photograffi)

i. Urgent Infrastructure Needs

I invite you to revisit history: America in the 1890s. Utah became a state. Grover Cleveland was in the White House. And the City of Syracuse was busy growing and laying the foundations of a modern water system. The impressive technology this system used—gravity—propels water approximately fourteen miles from our source, Skaneateles Lake, to reservoirs on the West Side of the City of Syracuse. Since then, we have enjoyed the success of this system. Over time, however, cracks and leaks have begun to appear; where once water main breaks were typically a fixture of the winter season, of late they have kept crews busy year round. Since January 1, 2014, the City of Syracuse has experienced

over 155 water main breaks, far outpacing recent years such as 2012 where we only had 282 breaks over the course of the entire year. Syracuse's aging water infrastructure was even profiled

recently by the *New York Times*, where they discussed the 18-hour shifts many of our crew members have worked.

Most recently, the City of Syracuse witnessed the collapse of a road surrounding a sewer line. Crews dispatched to inspect discovered the line was made of clay and was laid in 1899. The repair will take several weeks to complete and will require the closing of Butternut Street, a major thoroughfare on Syracuse's North Side.

Another area where Syracuse has visible needs is in our roadways. The City of Syracuse repairs potholes on a complaint-driven system. Since January 1, our Department of Public Works has received 579 complaints. This year, as our Commissioner likes to say, has brought more pothole complaints than any he can recall. Additionally, he said the potholes he has seen have been significantly deeper than in past years. We have worked diligently to address these issues and, as we wind down snow and ice removal operations, look forward to stepping up our efforts to repair these potholes.

Requests for road reconstruction also come into our Department of Public Works at a high rate. We create a priority list each year of the roads with the most pressing needs we are able to address. It is our target to do \$5.5 million in reconstruction on our roadways each year but our fiscal realities have prevented us from meeting this goal. Since 2007, the City of Syracuse has only funded between \$2 and \$3 million in road reconstruction. While this may not sound like a major reduction from the perspective of the federal government, if you ask neighbors from Eastwood to Elmwood, they will tell you they recognize the difference in their daily commute.



Mayor Miner leads New York State Assemblyman Felix Ortiz on a tour of a water main break where reconstruction could not occur due to winter weather conditions in February, 2014.

ii. MAP-21 and Syracuse

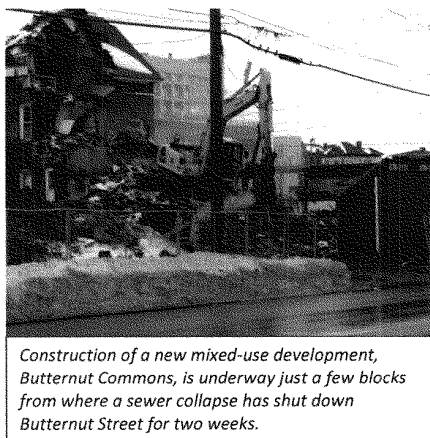
The City of Syracuse relies on funding from both Albany and Washington to meet our critical infrastructure needs. MAP-21 funding, specifically the Surface Transportation Program (STP), provide important assistance in meeting the obligations we have to our mutual constituents to offer sound infrastructure in our communities. Any cuts in federal transportation and infrastructure funding would be fundamentally devastating to cities like Syracuse across the nation. Even flat-lining the program could run the risk putting cities on the brink in untenable positions.

The City of Syracuse receives approximately \$4 million through the STP program. This funding goes to critical infrastructure projects throughout the City. In times like this, every dollar we can invest in our infrastructure counts.

iii. The Full Picture: Why Infrastructure Matters and Requires Federal Investment

As I said to the *Times*, “You don’t cut ribbons for new water mains, but that’s really what matters.” We have witnessed great economic development success in our community but our future is jeopardized by crumbling infrastructure. Shiny megaprojects, while glamorous, are impossible when they do not have the physical support of the community surrounding them. If cities cannot maintain their infrastructure, nothing else is going to matter. The ability for individuals to commute to work, run errands, transport children to school, and have clean running water in their homes is paramount to any other responsibility we have.

My fellow mayors and I speak regularly about the “what if” situations: if we no longer have the money to pay for important infrastructure upgrades or the inevitable emergency repairs. It is sometimes hard to convince others that these situations are not just far flung scenarios but real possibilities. Sometimes the concerns of mayors are relegated to being white noise by their states and the federal government until it is too late. The archetype for that situation is Harrisburg, Pennsylvania, just a few hours south of Syracuse. The



Construction of a new mixed-use development, Butternut Commons, is underway just a few blocks from where a sewer collapse has shut down Butternut Street for two weeks.

City found itself—like Detroit, Stockton, and San Bernardino, among others—deep in debt having to make the decision between paying off creditors and making emergency infrastructure repairs. They were even profiled in the *Wall Street Journal* for having massive, unrepaired sinkholes in their streets because they could not find the money to hire contractors to make needed repairs.

iv. Conclusion

Syracuse is a twenty first century city trying to deal with twentieth—and sometimes nineteenth—century infrastructure. We need to fight for every inch of progress we can earn but the aging infrastructure we confront on a daily basis stands in the way of our continued success. I urge the Senate to preserve STP funding. Furthermore, I believe now is the hour for our partners in Congress to think boldly about the critical infrastructure needs of cities like Syracuse. Action on your part today will stave off the crisis of tomorrow.