

S. HRG. 109-944

**NOMINATION OF MARY E. PETERS TO BE
SECRETARY OF TRANSPORTATION**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION**

UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

SEPTEMBER 20, 2006

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ONE HUNDRED NINTH CONGRESS

SECOND SESSION

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**NOMINATION OF MARY E. PETERS TO BE
SECRETARY OF TRANSPORTATION**

WEDNESDAY, SEPTEMBER 20, 2006

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 2:30 p.m. in room SR-253, Russell Senate Office Building, Hon. Ted Stevens, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. TED STEVENS,
U.S. SENATOR FROM ALASKA**

The CHAIRMAN. The Committee will come to order.

The Chairman would agree that it would be proper to allow time for the two Senators from Arizona to introduce the nominee. Senator McCain, you're the senior Senator.

Senator MCCAIN. Thanks very much. I remind Senator Kyl of that daily.

[Laughter.]

**STATEMENT OF HON. JOHN MCCAIN,
U.S. SENATOR FROM ARIZONA**

Senator MCCAIN. Well, thank you.

It's with great pleasure, Mr. Chairman, I introduce to the Committee Mary Peters, who has been nominated, as you well know, as the 15th Secretary of the Department of Transportation. And, of course, all of us are familiar with Mary through her nearly 4 years of service as the Administrator of the Federal Highway Administration from 2001 to 2005. She's a fourth-generation Arizonan, was the director of the Arizona Department of Transportation, known as ADOT, prior to taking the helm of the Highway Administration. She gained nearly 16 years of firsthand transportation agency experience during her service at the Arizona Department of Transportation, and another 4 years at the Federal Highway Administration.

I appreciate very much the President of the United States selecting such an outstanding and capable individual to fill this important leadership position. She has a long and accomplished professional record. And, Mr. Chairman, she has so many awards, I will not repeat them. I would ask that my complete statement be made part of the record.

And I would like very much that this committee approve, or consider and then approve, her nomination as quickly as possible, as

I think it would be good for the country to have her on the job before we go out for recess.

And I thank you for allowing me to make this statement on her behalf.

The CHAIRMAN. Your statement will appear in the record in full. [The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

Thank you. It is with great pleasure that I introduce to the Committee Mary Peters, who has been nominated to serve as the 15th Secretary of the U.S. Department of Transportation. Of course, most of you are already familiar with Mary through her nearly 4 years of service as the Administrator of the Federal Highway Administration (FHWA), from 2001–2005.

Mary Peters is a fourth generation Arizonan and was the Director of the Arizona Department of Transportation, known as ADOT, prior to taking the helm at FHWA. She gained nearly 16 years of firsthand transportation agency experience during her service at ADOT and another 4 years at FHWA. This hands-on experience will serve her well in fulfilling the duties of the Secretary, and I commend the President for selecting such an outstanding and capable individual to fill this important leadership position.

Mary has a long and accomplished professional record and has often received well-deserved recognition for her efforts, whether in Washington, D.C. or in Arizona. For example, she has received numerous awards throughout her career from the Women's Transportation Seminar, including the 2004 National Woman of the Year Award. She has also received awards from the American Association of State Highway and Transportation Officials (ASHTO), the National Council on Public Private Partnerships and the American Road and Transportation Builders Association. And not surprising, Mary also been recognized as one of the Top 100 Who's Who of Arizona Women in Business, and as the Most Influential Person in Arizona in Transportation.

On a personal side, Mary is one of the kindest persons you'd ever want to know. She is a great humanitarian and is genuinely interested in the lives of all of her employees. I am told Mary not only knew the name of every Arizona DOT employee by their names, but she also knew the names of their spouses and children. She understands the importance of family and friends and she shows it every day in her care and concern for those around her.

And finally, I cannot resist mentioning something from Mary's past that I hope she will rely on as she works to meet the challenges she will face as the DOT Secretary:

Before Mary became involved in transportation, she was in the *butchering* business. She made her living by cutting pork. As I said during her last confirmation hearing, this background should come in very handy and I urge her to rely heavily on her past *pork-cutting expertise* as she works to carry out her new responsibilities. Mary will undoubtedly face unlimited requests to support and fund Members' pork projects but to the extent of her authority, those projects would more appropriately deserve the same treatment that she mastered as a butcher.

Thank you.

The CHAIRMAN. Senator Kyl?

**STATEMENT OF HON. JON KYL,
U.S. SENATOR FROM ARIZONA**

Senator KYL. Thank you. Mr. Chairman, first let me agree with my colleague Senator McCain that it would be very much in the best interests of this country if the nomination of Mary Peters could move forward very expeditiously, first through the Committee and then on to the floor of the Senate.

My colleague, of course, traced the career of Mary Peters, a distinguished career focused on transportation issues. I'll just note a couple of things that were not said.

When she was here in Washington as the head of the Federal Highway Administration at DOT, among other things she led ef-

forts to improve the safety and security of our country's highways and bridges, reduce congestion, and institutionalize better fiscal oversight and accountability. And she distinguished herself in the same way when she headed the Department of Transportation in the State of Arizona. Both Senator McCain and I know Mary Peters personally; and so, we're obviously biased. But, for my place, I couldn't recommend more strongly someone who has all of the attributes, not just the skills and the experience, but the personal qualities to be a part of the President's Cabinet, to be advising him, to working with Members of Congress. And so, when, once again, she agreed to answer the President's call to leave the warm and sunny weather of Arizona to come back to Washington, I applauded her choice, and I urge the Committee to act quickly so that she can begin her responsibilities here as soon as possible, serving the people of this country.

She's a person of great integrity and charisma, and I'm very proud to call her a friend and commend her to the Committee.

The CHAIRMAN. Well, thank you very much, Senator.

I would suggest that the nominee present her statement, then we'll go around and give Senators an opportunity to question the nominee.

Ms. Peters?

**STATEMENT OF HON. MARY E. PETERS, NOMINEE TO BE
SECRETARY OF TRANSPORTATION**

Ms. PETERS. Mr. Chairman, thanks so much.

Chairman Stevens, Co-Chairman Inouye, and Members of the Committee, it is an absolute honor to appear before you today as you consider my nomination for Secretary of Transportation. And I sincerely appreciate my home state Senators, Senator John McCain and Senator Jon Kyl, for being here today to introduce me.

I am deeply grateful that President Bush has offered me the opportunity to again serve my country in the field of transportation.

I also would like to express my gratitude to my family, whose love and support have made it possible for me to be here today. My husband is home today; however, he is with our two brand-new grandchildren. One got out of the hospital 8 days ago, one got out of the hospital 2 days ago. So, they are appropriately there taking care of those new babies. I have pictures to bore you with, should you like to see those later.

[Laughter.]

Ms. PETERS. But I know that they are with me in spirit here today.

And my grandchildren have asked me to say their names. Jeremy, Jenna, Charles, Shannah, and Daniel, I love you.

Thank you, Senators.

[Laughter.]

The CHAIRMAN. Now, are there any of your family with you today?

Ms. PETERS. No, sir, they are not here.

The CHAIRMAN. Thank you.

Ms. PETERS. Mr. Chairman, America's continued economic vitality, our ability to compete in a global economy, and our citizens' high quality of life are all dependent upon dynamic, well-per-

forming transportation systems. And while the current systems have served our nation well, those systems must be strengthened to meet even greater challenges ahead.

The challenges are numerous, and they affect every mode of transportation. Our vital transportation infrastructure is showing signs of aging. Traditional transportation programs and their funding sources are no longer able to keep pace with demand. Increasing congestion on our highways, railways, airports, and seaports reduces our nation's economic productivity and consumes our citizens' time.

Despite the progress that we have made, transportation safety and transportation security are a greater concern than ever before. I do not take lightly the challenges that I would face, nor the responsibilities that I would accept, should you vote to confirm my nomination. I believe my 20-plus-year career in transportation has given me the hands-on experience, the technical knowledge, and the leadership skills necessary to identify and implement the right solutions for these challenges.

For more than 16 years, as Senator McCain has said, I worked for the Arizona Department of Transportation. That position allowed me to gain valuable insight on the way Federal policy affects real-life aspects of planning, building, and operating transportation systems on state, regional, and local levels.

As director of ADOT for the last 3 years of that time, I oversaw highway, transit, rail, and aviation, as well as motor carrier programs, driver licensing, vehicle registration, transportation-related clean-air programs, transportation tax collection and distribution. I learned the economics of developing and maintaining transportation infrastructure, as well as the responsibilities and accountabilities necessary when entrusted with public funds.

I was then privileged to serve for nearly 4 years as Administrator of the Federal Highway Administration, and had the honor of working with you, with Congress, to develop the important SAFETEA-LU legislation.

As Administrator, I made safety my highest priority. And if confirmed as Secretary, I will ensure that safety continues to be the Department's highest priority and that safety considerations are built into every transportation decision.

As Administrator, I also focused the Federal Highway Administration on improving its oversight and accountability for public funds. During my tenure, we implemented policies for better management of mega-projects, and I worked very closely with Ken Mead, the Inspector General, to eliminate waste, fraud, and abuse in the programs.

If confirmed, a significant priority will be the reauthorization of the Nation's aviation programs. I look forward to working with Congress to improve aviation safety and to identify new approaches for modernizing the Air Traffic Control System, improving the environmental review process for airports, and addressing the aviation needs of small urban communities and rural areas.

We must continue to promote the use of public transportation and assist states and communities to maximize transit capacity and reliability. Intercity passenger rail should be an important component of our nation's transportation network. If confirmed, I

look forward to working with Congress to pass a bill that will ensure the Nation's passenger rail system delivers maximum benefit to its customers.

Our nation's maritime industry plays an important role in daily commerce. In fact, our seaports handle 2.5 billion tons of goods and materials each year. If confirmed, I will work with industry and state officials to alleviate congestion at our nation's seaports.

Small urban and rural transportation needs—air, rail, and public transportation, as well as roads—were always very important considerations to me when I served at the Arizona DOT. And, if confirmed, I would look forward to working with you to maximize the mobility options for all Americans, regardless of where they live.

Mr. Chairman, I believe my experience, my understanding of state and local transportation needs, and my commitment to ensuring the continued excellence of the American transportation system will enable me to provide effective leadership for the U.S. Department of Transportation. In these challenging times, we need that leadership. If confirmed as the next Secretary, I look forward to working with Congress, with President Bush, and other members of the Cabinet, as well as our public- and private-sector partners, to ensure our nation and the American people are provided a safe, secure, efficient, and effective transportation system, both now and into the future.

Mr. Chairman and Members of the Committee, I sincerely appreciate the opportunity that you have given me here today, and I will respond to questions, as the time is appropriate.

Thank you, sir.

[The prepared statement and biographical information of Ms. Peters follow:]

PREPARED STATEMENT OF HON. MARY E. PETERS, NOMINEE TO BE SECRETARY OF
TRANSPORTATION

Chairman Stevens, Co-Chairman Inouye, Members of the Committee, I am honored to appear before you today as you consider my nomination for Secretary of Transportation. I am deeply grateful that President Bush has offered me the opportunity to again serve my country in the field of transportation. I also want to express my gratitude to my family whose love and support have made it possible for me to be here today.

I am especially honored to succeed Secretary Norman Mineta and am grateful for having had the experience of working on his team. Through his outstanding career in public service, Secretary Mineta made an indelible impression on transportation policy. If confirmed, I know I will have quite a legacy to live up to at the Department.

America's continued economic vitality, our ability to compete in a global economy, and our citizens' high quality of life, are all dependent upon dynamic and well-performing transportation systems. And, while the current systems have served our nation well, they must be strengthened to meet even greater challenges ahead.

These challenges are numerous, and they affect every mode of transportation. Our vital transportation infrastructure is showing signs of aging. Traditional transportation programs and their funding sources are no longer able to keep pace with demand. Increased congestion on our highways, railways, airports, and seaports reduces our nation's economic productivity and consumes our citizens' time. Despite the progress we have made, transportation safety and security are a greater concern than ever before.

I do not take lightly the challenges I would face, nor the responsibilities I would accept, should you vote to confirm my nomination to be Secretary of Transportation. I believe my 20-year career in transportation has given me the hands-on experience, technical knowledge, and leadership skills necessary to identify and implement the right solutions for these challenges.

For more than 16 years, I worked for the Arizona Department of Transportation (ADOT), where I gained valuable insight into the ways Federal policy affects real-life aspects of planning, building, and operating transportation systems on local, state, and regional levels. As Director of ADOT for 3 years, I oversaw highway, transit, rail, and air transportation in Arizona, as well as motor carrier programs, driver licensing and vehicle registration, transportation-related clean air programs, and transportation tax collection and distribution. In Arizona, I learned the economics of developing and maintaining transportation infrastructure, as well as the responsibility and accountability necessary when entrusted with public funds.

I was then privileged to serve as the 15th Administrator of the Federal Highway Administration (FHWA) for nearly 4 years, and had the honor of working closely with Congress on the development of the important Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation.

As Administrator, I made highway safety my highest priority and worked closely with the Administrators of the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) to develop strategies for reducing fatalities and injuries. During the drafting of the Administration's surface transportation reauthorization proposal, I championed an increased focus on, and funding for, safety.

Yet, despite the gains we have made, safety remains an ongoing challenge. We cannot complacently accept fatalities and injuries as the "price we pay" for mobility. If confirmed as Secretary, I will ensure that safety continues to be the Department's top priority and that safety considerations are built into every transportation decision.

While rail accidents have begun to decline as a result of the National Rail Safety Action Plan, which was issued last year in response to several major accidents, we must do even more to reduce the number of train accidents, including those that involve highway-rail grade crossings. If confirmed, I will ensure that the Federal Railroad Administration continues to work with industry to implement new technologies that will create a safer rail system.

This year's incident at Prudhoe Bay demonstrates we also have more work to do on pipeline safety and, if confirmed, I will ensure the Department continues to proactively reach out to stakeholders and other Federal, state, and local agencies to ensure a safe and reliable pipeline infrastructure. If confirmed, I also look forward to working with this committee on the pipeline safety program reauthorization. This is an important bill that will allow the Department to ensure the continued safety, security, and reliability of our pipeline system.

If I am confirmed, reauthorizing the Nation's aviation programs will be a significant priority, and I look forward to working with Congress on crafting a bill that not only improves aviation safety, but also identifies new approaches to modernizing the air traffic control system to meet increased travel demand, improves the environmental review process for airport infrastructure, and addresses the aviation needs of small urban communities and rural areas.

We must continue to promote the use of public transportation and assist states and communities to maximize transit capacity and reliability. Transit is not just a big city concern. Many rural areas are increasingly recognizing the many benefits of transit and, if confirmed, I plan to ensure the successful implementation of SAFETEA-LU's expanded rural transit programs.

The terrorist attacks on the transit systems in Madrid and London have highlighted the importance of transit security in this post-9/11 world. Although the Department of Homeland Security (DHS) has the lead on security matters, if confirmed as Secretary, I assure you the Department of Transportation will continue to work collaboratively with DHS to address the vulnerabilities of our nation's open public transportation systems.

Intercity passenger rail should be an important component of our nation's transportation network. If confirmed, I look forward to working with Congress to pass a bill that will ensure our nation's passenger rail system delivers maximum benefits to consumers.

Our Nation's maritime industry plays an important role in our daily commerce as well as an auxiliary role for security in times of war or national emergency. In today's global trade economy it is vital that we maintain a robust marine transportation system. The backbone of that system is the Jones Act, which I strongly support. We must also continue to work to address congestion at our ports. Innovative technologies such as PierPass at the Port of Los Angeles/Long Beach have made progress in addressing congestion at that facility. If confirmed, I will work with industry and state and local officials to find other novel ways to tackle this problem at our ports.

My experience in transportation management in Arizona, and at the Federal level, made me acutely aware of the need to focus on better overall management and operation of an integrated system, and to identify the appropriate balance of transportation alternatives. I am convinced that the Department of Transportation for the 21st century must employ a systems approach to managing transportation and support operational strategies with cutting-edge technologies. Research will play a vital role and we must define and promote an appropriate national agenda for research and technology deployment.

Small urban and rural transportation needs—air, rail, public transportation, as well as roads—were always important considerations when I served as Director of ADOT. If confirmed, I look forward to working with you to maximize mobility options for all Americans, regardless of where they live.

As Administrator of FHWA, I worked to fulfill a commitment I made at my confirmation hearing to improve and strengthen FHWA oversight and accountability for Federal funds. To improve the accuracy of financial data and assure the agency fully executed its stewardship responsibilities, I established an Office of the Chief Financial Officer reporting directly to the Administrator, and led the development of FHWA's Financial Integrity Review and Evaluation (FIRE) Program, an important tool for better financial controls. I worked very closely with the Office of Inspector General to increase awareness of transportation fraud and, more importantly, to take action to prevent it. I oversaw implementation of policy and guidance for better management of mega-projects, and worked to eliminate waste, fraud, and abuse in programs administered by the agency.

If confirmed as Secretary of Transportation, I pledge conscientious stewardship for resources and responsibilities entrusted to the Department. The American public and the Nation's business community must feel confident that every dollar provided to transportation is used wisely and well. This confidence must derive from results the public can see, such as reduced traffic congestion, fewer lives lost, seamless delivery of goods, improved livability, and respect for human and natural environments in transportation construction, operation, and performance. Accountability must be the watchword for every Department of Transportation program.

Mobility is one of our country's greatest freedoms, but congestion across all of our transportation modes continues to limit predictable, reliable movement of people and goods, and poses a serious threat to continued economic growth. Congestion no longer affects only roads in larger urban areas, but is spreading across America. After a decline following 9/11, our aviation system is once again nearing capacity, and instances such as severe weather or a security alert can result in gridlock of the system.

The Department of Transportation, under Secretary Mineta's leadership, recently launched a national multi-modal initiative to alleviate congestion in travel and freight movement. The initiative provides a clear plan for Federal, state, and local officials to follow for improving operation of our surface transportation system, encouraging the development and deployment of new technologies and construction methods, and expanding opportunities for private investment in transportation infrastructure. If confirmed as Secretary, I will continue to advance this comprehensive national congestion strategy.

Public-private partnerships can bring much-needed capital to the table, and market-based congestion solutions can provide a means to fund infrastructure improvements and fight congestion. I recognize these methods are not appropriate solutions in every situation, rather they should be among the options available for state and local government to use as they determine appropriate.

We cannot assume that methods of the past, whether for designing, financing, constructing, or operating transportation infrastructure and systems, will necessarily continue to be appropriate in the future. The National Surface Transportation Policy and Revenue Study Commission Congress established in SAFETEA-LU is taking on exactly such issues for surface transportation.

I was honored to be appointed by President Bush to serve on the Commission and believe it affords a great opportunity for historic changes in transportation policy. If you confirm my nomination to be Secretary of Transportation, it will be my goal as Chair to ensure that the Commission produces a comprehensive and timely report to inform the next reauthorization of surface transportation programs.

Mr. Chairman, Senator Inouye, I believe my experience, my understanding of state and local transportation needs, and my commitment to ensuring the continued excellence of the American transportation system will enable me to provide effective leadership for the Department of Transportation in these challenging times. If I am confirmed as the next Secretary of Transportation, I will work closely with Congress, with President Bush and other members of his Cabinet, and with our public- and private- sector partners to ensure our nation and the American people are pro-

vided a safe, secure, efficient, and effective transportation system now and in the future.

I sincerely appreciate the time you have given me today as you consider my nomination. I will be pleased to respond to any questions you may have.

A. BIOGRAPHICAL INFORMATION

1. Name (Include any former names or nicknames used):
Mary Elizabeth Peters.
Maiden name: Mary Elizabeth Ruth.
2. Position to which nominated: Secretary, U.S. Department of Transportation.
3. Date of Nomination: September 7, 2006.
4. Address (List current place of residence and office addresses):
Residence: information not released to the public.
Office: 3200 E. Camelback Road, Suite 350, Phoenix, AZ 85018-2311.
5. Date and Place of Birth: December 4, 1948, Phoenix, Maricopa County, AZ.
6. Provide the name, position, and place of employment for your spouse (if married) and the names and ages of your children (including stepchildren and children by a previous marriage).
Spouse: Terry Gene Peters, Sr., Consultant Engineering, Inc. (CEI), Construction Technician, Phoenix, AZ.
Children: Tamara Marie (Peters) Cleavenger, age 38; Terry Gene Peters, Jr., age 34; Christina Rose Peters, age 27.
7. List all college and graduate degrees. Provide year and school attended: University of Phoenix, Phoenix, AZ, B.A. Management, 1994.
8. List all management-level jobs held and any non-managerial jobs that relate to the position for which you are nominated.
HDR Engineering, Inc, Sr. Vice President, Oct. 2005–present.
Federal Highway Administration, Administrator, Oct. 2001–July 2005.
Arizona Department of Transportation:
Director, March 1998–October 2001,
Deputy Director, July 1995–March 1998,
Deputy Director Admin., September 1992–July 1995,
Contract Administrator, January 1992–September 1992,
Contract Manager, July 1988–January 1992.
9. List any advisory, consultative, honorary or other part-time service or positions with Federal, state, or local governments, other than those listed above, within the last 5 years.
Commissioner, National Surface Transportation Policy and Revenue Study Commission, June 2006–present.
10. List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business, enterprise, educational or other institution within the last 5 years.
HDR Engineering Inc., Sr. Vice President, Oct. 2005–present.
American Association of State Highway Transportation Officials (AASHTO), Board Member March 1998–October 2001.
Western States Association of State Highway Transportation Officials (WASHTO), Board Member, March 1998–October 2001.
Women's Transportation Seminar, Member Washington, D.C. and Phoenix, AZ Chapters, Member 1990–present; Advisory Board Member 2001–2005.
National Leadership Conference of Women Executives in State Government, Treasurer and Board Member, September 1999–October 2001.
Project Challenge, Board Member, February 1997–October 2001.
Intelligent Transportation Society of America, Board Member, 1995–2000.
Arizona Clean and Beautiful, Advisory Council Member and past Board Member, 1993–1995.
11. Please list each membership you have had during the past 10 years or currently hold with any civic, social, charitable, educational, political, professional, fra-

ternal, benevolent or religious organization, private club, or other membership organization. Include dates of membership and any positions you have held with any organization. Please note whether any such club or organization restricts membership on the basis of sex, race, color, religion, national origin, age or handicap.

I have held no memberships with any civic, social, charitable, educational, political, professional, fraternal, benevolent or religious organization, private club, or other membership that restricts membership on the basis of sex, race, color, religion, national origin, age or handicap. My memberships during the past 10 years and current are as follows:

American Association of State Highway Transportation Officials (AASHTO), Board Member March 1998–October 2001.

Western States Association of State Highway Transportation Officials (WASHTO), Board Member, March 1998–October 2001.

Arizona State University, College of Extended Education, Deans Council, October 1999–October 2001.

Grand Canyon State Employees Federal Credit Union, Past President and Board Member, 1993–1995.

University of Phoenix, Alumni Advisory Council, September 1994–October 2001.

Arizona Quality Alliance, Board Member and former Senior Judge, March 1999–October 2001.

Women's Transportation Seminar, Member Washington, DC and Phoenix, AZ Chapters, Member 1990–present; Advisory Board Member 2001–2005.

Arrowhead Republican Women, Member 1997–2001 and September 2005–present (does not restrict membership to women).

National Leadership Conference of Women Executives in State Government, Treasurer and Board Member, September 1999–Oct. 2001. (The organization, now defunct, was focused on professional development for women leaders in state government, and did not, to my knowledge, restrict membership on the basis of gender.)

Project Challenge, Board Member, February 1997–October 2001.

Intelligent Transportation Society of America, Board Member, 1995–2000.

Arizona Clean and Beautiful, Advisory Council Member and past Board Member, 1993–1995.

American Road and Transportation Builders, Public-Private Ventures Committee, December 2005–present.

12. Have you ever been a candidate for public office? I have never been a candidate for public office.

13. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

Sen. Jon Kyl, \$700.

Sen. John McCain, \$500.

Bush for President 2000, \$750.

Bush-Cheney 2004, \$2000, \$250, \$200.

Bush-Cheney 2004 Compliance Committee, \$600.

Hull for Governor, AZ 1998, \$500.

14. List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.

Top 25 Most Influential Business Women, Greater Arizona Area, 1995.

Who's Who in Arizona Women, 1997 Person of the Year, Women's Transportation Seminar 1998.

Most Influential Person in AZ transportation, *AZ Business Journal*, 2000.

Scholarship, Harvard University, State & Local Government Executive Program Kennedy School, 2000.

Woman of the Year Award, Women's Transportation Seminar, 2004.

Woman of the Year Award, Women's Transportation Seminar AZ, 2005.

American Road and Transportation Builders Assn. Award, 2005.

National Council on Public Private Partnerships Leadership Award, 2005.

Am. Assn. of State Highway and Transportation Officials Bartlett Award, 2005.

15. Please list each book, article, column, or publication you have authored, individually or with others, and any speeches that you have given on topics relevant to the position for which you have been nominated. Do not attach copies of these publications unless otherwise instructed.

Numerous speeches, articles, columns, etc., while Administrator, Federal Highway Administration, 2001–2005.
 Numerous speeches, articles, columns, etc., while Director, AZ DOT, 1998–2001.
 Speech, American Highway Users Alliance, May 2000.
 Article, Associated General Contractors, Arizona Division, 2000.
 Article, Intelligent Transportation Society of America, 2000.
 Speech, AZ Alliance for Construction Excellence, 2005.
 Remarks, American Association of State Highway and Transportation Officials, 2005.
 Remarks, Tucson/Pima County, AZ Regional Transportation Association, 2005.
 Remarks, AZ Trucking Association, 2005.
 Speech, Multi-State Highway Commission, 2006.
 Speech, AZ Transit Association, 2006.
 Presentation, Design Professionals Coalition, 2006.
 Speech, AZ State University Distinguished Transportation Seminar, 2006.
 Presentation, Indiana Top Officials, 2006.
 Article, *Better Roads Magazine*, 2006.
 Article, *Innovation Briefs*, 2005.
 Foreword to book, *Street Smart*, 2005.

16. Please identify each instance in which you have testified orally or in writing before Congress in a non-governmental capacity and specify the subject matter of each testimony.

Testimony before the House Transportation and Infrastructure Committee, Ground Transportation Subcommittee, U.S. House of Representatives regarding Notice of Proposed Rulemaking for Planning and Environmental Processes, September 13, 2000. Testimony was provided in my official capacity as Director of the Arizona Department of Transportation.

B. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as an officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

When I began working at HDR, Inc., I received a signing bonus, contingent upon my continuing to work for the company for a minimum of 2 years. This bonus is reported on Schedule A of my financial disclosure report (SF-278) as a part of my “salary and bonus.” I am contractually obligated to repay HDR, Inc., this bonus if my resignation occurs within 1 year. As a result, upon my resignation from HDR, Inc., I will promptly repay the signing bonus.

2. Do you have any commitments or agreements, formal or informal, to maintain employment, affiliation or practice with any business, association or other organization during your appointment? If so, please explain.

No. Upon confirmation, I will resign my position as Senior Vice President, HDR, Inc. Furthermore, pursuant to 5 CFR § 2635.502, for 1 year after I terminate this position, I will not participate in any particular matter involving specific parties in which HDR, Inc., is a party or represents a party, unless I am authorized to participate.

3. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as an officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

4. Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

Upon confirmation, I will resign my position as Senior Vice President, HDR, Inc. Furthermore, pursuant to 5 CFR § 2635.502, for 1 year after I terminate this position, I will not participate in any particular matter involving specific parties in which HDR, Inc., is a party or represents a party, unless I am authorized to participate.

My spouse is employed by CEI, Inc., from which he receives a fixed annual salary. Pursuant to 5 CFR § 2635.502, I will not participate in any particular matter involving specific parties in which CEI, Inc., is or represents a party, unless I am authorized to participate.

5. Describe any activity during the past 5 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy.

Testimony and discussions related to the SAFETEA-LU transportation authorization legislation bills while Administrator, Federal Highway Administration, 2003–2005.

Testimony and discussions related to appropriations bills for programs administered by the Federal Highway Administration, 2001–2005.

Testimony, Indiana General Assembly, 2006 related to Major Moves Legislation.

Testimony, Illinois State Senate Approps II, 2006, regarding public-private partnerships.

6. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as an officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign my position as Senior Vice President, HDR, Inc. Furthermore, pursuant to 5 CFR § 2635.502, for 1 year after I terminate this position, I will not participate in any particular matter involving specific parties in which HDR, Inc., is a party or represents a party, unless I am authorized to participate.

My spouse is employed by CEI, Inc., from which he receives a fixed annual salary. Pursuant to 5 CFR § 2635.502, I will not participate in any particular matter involving specific parties in which CEI, Inc., is or represents a party, unless I am authorized to participate.

My spouse and I participate in defined benefit pension plans with the Arizona State Retirement System. Therefore, pursuant to 18 U.S.C. § 208, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the ability or willingness of the State of Arizona to provide these contractual benefits to my spouse and me, unless I first obtain a written waiver or qualify for a regulatory exemption.

C. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, state, or other law enforcement authority of any Federal, state, county, or municipal entity, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? If so, please explain.

I was named, in my official capacity as Director of the Arizona Department of Transportation, in a civil rights action filed against the agency. I had directly supervised two of the individual plaintiffs at some time during their tenure with the agency. Without admission of any fault on the part of the agency, a settlement was negotiated with the plaintiffs on the class action suit. Cases for individual plaintiffs have been adjudicated in favor of the State of Arizona. To the best of my knowledge, other agency proceedings and civil litigation relating to my matters occurring during my service at Arizona DOT from 03/98 to 10/02 have not referenced specific action by or relationship to me personally.

As Federal Highway Administrator, from 10/02 to 07/05, I was named in an official capacity in a number of lawsuits involving the Federal Highway Administration. To the best of my knowledge, I (as well as the Secretary and Federal Motor Carrier Safety Administrator) was named personally in only one lawsuit, filed in December 2001, which involved the admission of Mexican owned trucks into the United States. The complaint involved decisions going back to 1995, but at the time of my appointment as Federal Highway Administrator in 2001, and thereafter, the Federal Highway Administration had no role in deciding whether to allow Mexican trucks to operate in the United States. This case was dismissed by the Federal District Court in January 2003, a decision which was affirmed by the Court of Appeals in February 2004.

HDR, Inc. has received subpoenas from government investigators to produce records pertaining to the collapse of a pre-cast concrete ceiling panel in the I-90 Boston Marine Industrial Park Tunnel. HDR was the designer of the tunnel structure (the concrete "box") in the early 1990s. HDR was not the designer of the ceiling panels or the hangers that collapsed. HDR is complying with all requests for documents and is assisting the NTSB with the investigation.

HDR, Inc. has been named in a lawsuit filed by the family of the woman who died as a result of the ceiling collapse. I had no involvement with HDR's work on the I-90 Boston Marine Industrial Park Tunnel.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination.

As director of the Arizona Department of Transportation, I had responsibility over functions involving highways, roadways, structures, aviation, transit, research, vehicle registration and driver license functions, motor carrier licensing, motor carrier safety inspections, titling and tax collection.

6. Have you ever been accused, formally or informally, of sexual harassment or discrimination on the basis of sex, race, religion or any other basis? If so, please explain.

I was named, in my official capacity as Director of the Arizona Department of Transportation, in a civil rights action filed against the agency. I had directly supervised two of the individual plaintiffs at some time during their tenure with the agency. Without admission of any fault on the part of the agency, a settlement was negotiated with the plaintiffs on the class action suit. Cases for individual plaintiffs have been adjudicated in favor of the State of Arizona. To the best of my knowledge, other agency proceedings and civil litigation relating to my matters occurring during my service at Arizona DOT from 03/98 to 10/02 have not referenced specific action by or relationship to me personally.

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D. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines for information set by Congressional committees? Yes.
2. Will you ensure that your department/agency does whatever it can to protect Congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.
3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.
4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

The CHAIRMAN. Well, thank you very much, Ms. Peters.

I think we'll have a round of questions, as I said. We'll limit the first round to 5 minutes. I expect that almost every member will come. We'll see how much time we'll take.

Let me start off by saying, you know, as the junior member of this committee, I remember when we eliminated the Civil Aeronautics Board. One of the mechanisms we put in place to assure that small isolated areas would continue to get air service, where needed, was the Essential Air Service program. There have been a lot of comments about it. And, undoubtedly, it needs to be reviewed and reformed. But have you had a chance to examine that program? Do you know that program?

Ms. PETERS. Mr. Chairman, yes, I do know of the program, and I know of its importance. It was certainly an important program in the State of Arizona, as well. And, if confirmed, I would look forward to working with you to continue that program.

The CHAIRMAN. Well, thank you very much.

We're also looking at two concepts. One is the next-generation air transport system, and the other is a joint planning and development office for that system. Are you familiar with the background of what we've done so far on that approach to that new system?

Ms. PETERS. Mr. Chairman, yes, I have had the opportunity to be briefed by Administrator Blakey, as well as others in the agency, and would look forward to helping provide leadership for that system. The coordination with other agencies, like DHS and Department of Defense, as well as NASA, would be very important in that regard.

The CHAIRMAN. Well, I appreciate that. We've got an enormous problem with these new small business jets—I like to call that the "mosquito fleet"—that's going to enter the system. And they're going to be very efficient aircraft. I'm told that they'll consume about 35 percent of the fuel of the existing planes of that size, 9 to 12 passengers. And they will have about 40 percent of the weight of the current planes. But they're going to enter the system, and primarily be used by private executives. Have you looked at that problem and reached any conclusion on how to handle the enormous number of new planes that are going to enter the system?

Ms. PETERS. Mr. Chairman, I am aware of the issue, and aware of the incidence—the higher incidence of these planes in the aviation fleet. I have not yet reached any conclusions as to the impacts of those planes coming into the fleet, but, if confirmed, would look forward to learning more about that issue and working with you on that.

The CHAIRMAN. Well, thank you very much.
Our Co-Chairman is here now. Senator, I did not make an opening statement. We just went right into Ms. Peters' statement. And I would call on you for any questions or comments you might have.

**STATEMENT OF HON. DANIEL K. INOUE,
U.S. SENATOR FROM HAWAII**

Senator INOUE. Well, I'd just like to congratulate the nominee.
Ms. PETERS. Thank you, Senator.
Senator INOUE. I had the great honor and privilege of meeting her yesterday. And I'm supporting her.
Ms. PETERS. Thank you, sir.
Senator INOUE. That's my statement.
The CHAIRMAN. Thank you very much.
Then we will go by the early bird rule here. The staff tells me the next person who entered the room was Senator Lott.

**STATEMENT OF HON. TRENT LOTT,
U.S. SENATOR FROM MISSISSIPPI**

Senator LOTT. Thank you, Mr. Chairman. And thank you for having an expeditious hearing on this nominee. And congratulations, Ms. Peters, on—
Ms. PETERS. Thank you.
Senator LOTT.—being nominated by the President to this very important position as Secretary of Transportation.
Ms. PETERS. Thank you.
Senator LOTT. Mr. Chairman, I've had occasion in the past to work with the nominee when she was at the Federal Highway Administration, and I found it to be a very satisfactory relationship, and we actually produced a result, and it led to a completion of a project that had been in the mill for 40 years. And so, I know she can help make things happen.

I don't want to ask a lot of questions now, because a lot of the questions I would ask you would be in areas that you may not have been involved in in the past. But let me just say that, as I told the nominee when I met with her, I think transportation is a critical part of our society and our economy. I think it's the best department in the government, in terms of actually creating jobs and doing things for people. Of course, the Defense Department obviously does a whole lot in that area. But I just believe that we need to have an agenda, a plan, and we need to be forward-leaning when it comes to transportation and how we build our roads and bridges, and doing more in the aviation area. We have so much we have to do there. Next year, we have the reauthorization of the FAA coming up. We have an air traffic control system that is just not up to the standards that we're going to have to have.

We have had improvements in railroads, the short lines and the big freight lines, but we need even more. We need more capacity, and we need it soon. And Amtrak, we've got to decide, do we want a national rail passenger system, or not? Do we want some real reform, or not? Do we want it to be able to provide good service, on-time service, you know, with input from the states and the passengers, or not? We need leadership.

Now, I can just say that in Congress we're going to provide initiatives in all these areas. As a member of the Finance Committee, we have a tax incentive proposal to greatly encourage the freight railroads to expand their capacity. We're going to keep pushing on Amtrak until we get a reform. And so on down the list.

So, as our new Secretary of Transportation, I challenge you to get hold of this issue and get us moving forward. And I think you're going to have to speak to the White House and OMB a little bit, because they're not going to want to spend some of the money. But there is never a better dollar spent, other than for defense, than the money we spend on lanes, planes, trains, ports, and harbors. So, I hope that you will provide real leadership in this area.

Just a couple of specific questions with regard to your appointment to the National Surface Transportation Policy and Revenue Study Commission. Can you give us an update on how that commission is going? I thought that was a good idea that could give us some direction. But one of the things we need is an on-time report from that commission. What do you know about that, as a member of the Commission?

Ms. PETERS. Yes, Senator, I can answer that question. Senator, as a member of the Commission, we met, I believe, four times before my nomination was moved forward, and I have stepped out of that role for the duration of this nomination process.

But, Senator, the Commission is looking at developing a work plan that will address all of the issues that were included in the legislation authorizing the Commission. There has been much discussion among the Commission members, and I, for one, have strongly stressed the need to complete that report and submit it to Congress on time so that it can inform the next surface transportation authorization.

I'm not sure that all of the other members of the Commission shared that view, but, if confirmed, sir, I would have the honor of chairing that commission, and would certainly look forward to driving home the need to get that report completed accurately, completely, and to you on time.

Senator LOTT. Well, I hope that you will push that and get it to us.

One of the other areas that I have developed some concern—and it involves a conversion on my own part—is my concern about safety in all of these areas—in trains, in planes, and also in the highways. And we had a significant portion of the highway bill that had safety proposals in it. We actually changed our approach to states on seatbelts, for instance. And instead of trying to punish them or threaten them or beat them into submission, we gave them incentives, that if you pass the comprehensive seatbelt laws, you'll get a little extra money. And my state, which is always recalcitrant on being told by the Federal Government what we have to do, within 6 months did it. And we've seen, already, an improvement in our statistics with regard to seatbelt use by people involved in accidents.

We also have asked your department, the appropriate department, to look at some other safety proposals to see how it might work with regard to child safety and some of the rearview activities and how kids accidentally can knock cars out of park and have

them roll forward and kill children. So, I hope that you will also take a look at some of these safety initiatives that are being considered. I don't advocate doing them just for appearance's sake, but if we can do some things that would help in that area, I think it would be a very good thing for you to focus on.

Ms. PETERS. Senator, you have my commitment to do so. I think the greatest tragedy is for a child to lose his or her life in an automobile crash because they were not properly buckled in or in a child restraint seat.

Senator LOTT. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Dorgan is next.

**STATEMENT OF HON. BYRON L. DORGAN,
U.S. SENATOR FROM NORTH DAKOTA**

Senator DORGAN. Mr. Chairman, thank you very much. I intend to support the nomination.

Let me congratulate Mary Peters. I think she has very substantial experience directly in these areas, so I think this is a good nomination.

And I would also join my colleague Senator McCain in suggesting that it would make sense for us to move quickly on this nomination. I think having vacancies in these top positions in agencies is a hindrance, and I would hope we would move quickly on it.

I want to mention just several things. First, Essential Air Service. We have, in western North Dakota and eastern Montana, particularly in the Williston area, an Essential Air Service contract connecting Williston and Dickinson, to Denver, and that contract—they had attempted to have a third flight a day when it was reauthorized a few years ago. Since that time, there has been substantial activity in the oil patch, and our region has increased ridership over 23 percent in one city, and 12 percent in another. And I want to work with you and visit with you about that, because we need to connect that increasing activity in the oil patch to the hub in Denver with better EAS service.

I also want to mention, on Amtrak, if I can, the *Empire Builder*, which runs from—it affects a number of us on this committee—it runs from Chicago to Seattle. The previous Secretary, Norm Mineta, whom you succeeded, once said, "Trains that nobody wants to ride"—he was talking about long-distance trains, and used the *Empire Builder* as an example—"Trains that nobody wants to ride." I sure hope you'll dig into this Amtrak issue, as Senator Lott indicated. Senator Burns knows how important Amtrak is across Montana. I know how important it is across our states. And it is full. Unbelievably popular. It's a terrific service. And obviously Secretary Mineta didn't know what he was talking about, hadn't done his research. But I think all of us look forward to working with you on Amtrak. Zeroing out Amtrak funding or coming in with a proposal that would essentially eliminate all long-distance trains is not the way I think the majority on this committee believes we should approach this. So, I look forward to working with you on that.

And then, Senator Inouye has been very active—and I have joined him—on this issue of a rulemaking with respect to foreign control of U.S. airlines. That is very controversial, as you know.

Senator Inouye has proposed an amendment to interrupt that. I've supported that amendment. I hope we can have discussions about that issue, because I think that is—that's very important.

So, those are a few of the issues. I talked to you about a radar issue at—in our state, as well, at the Bismarck Commerce Center.

But, having said all of that, I—you know, Mr. Chairman, we have a lot of nominees that come to the Congress who are marginally qualified—I shouldn't say "a lot," but a number of times someone's friend is nominated. You have a depth of experience, I think, in transportation issues that's very, very important.

I do want to mention one additional thing, and that is the issue of surface transportation, the STB, with respect to railroads. Again, my colleagues, Senator Rockefeller, Senator Burns, and myself, have worked long and hard on the issue of captive shippers. And to say that the STB does nothing is to give them much greater credit than they deserve. It's an unbelievably inept agency that—I mean, glaciers move more rapidly than the STB on very serious issues that they are confronted with. So, those of us on this committee, on a bipartisan basis, who push and try to cajole and force the actions on some of the important things for captive shippers, who are really, literally held captive and are paying a massive amount of extra money—our Public Service Commission estimates that North Dakotans are overcharged by \$100 million—\$100 million a year. You know, we'd just like an agency to stand up for the interests of consumers. And that has not been the case for a long, long time. And, again, on a bipartisan basis, Members of this committee would very much like some action. That falls under your jurisdiction, at some point here, and we hope to be able to visit and work with you on all of these things.

I've not asked you a question, because we didn't have opening statements. I know the Chairman said we could either ask questions or make a statement. I wanted to at least alert you to those issues of interest from the standpoint of one rural state, North Dakota. And I look forward to working with you, and I will look forward to seeing that—if we can get this nomination to the Senate as expeditiously as possible.

Ms. PETERS. Thank you, Senator Dorgan.

The CHAIRMAN. Well, for the interest of the members, Senator Inouye has just consented that we'll have a vote after the next vote on the floor. We will convene in the President's Room to see if we can get an agreement to report out the nominee's name for consideration by the Senate.

Senator Rockefeller?

**STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA**

Senator ROCKEFELLER. Thank you, Mr. Chairman.

I would say, Ms. Peters, that if we're going to have a vote on you after our next vote, that your situation doesn't sound exactly dire to me.

[Laughter.]

Senator ROCKEFELLER. And, I think, for—I think, for very, very good reason. You came to see me. We had a—we had a very good talk. We discussed a number of issues. But the thing that struck

me most about you is your openness, your—the sense of transparency about you, and that you, kind of, look for the right solutions, and you're willing to stand by them, and you're plainspoken in the way you do it. So, I just—I want to praise you, and the President in his selection of you—

Ms. PETERS. Thank you.

Senator ROCKEFELLER.—because I think you're—I think you're going to be terrific. And I agree with what Senator Dorgan said about the transportation background. That's important.

I'll just raise, a little higher than he did, the issue of captive shipping. That drives most of our colleagues on this committee crazy, but it ought to drive all of them, I think, in the direction of trying to solve this, and it's a very—it's a very simple thing. Staggers, who is a West Virginian—that Staggers Deregulation Act of 1984, everybody got deregulated if there were two lines going into a business, but the 20 percent who weren't didn't get deregulated. And that's—when he was referring to the STB—ICC, before that—there's never been any movement on that. And then, there's the question of revenue inadequacy. And the railroads always have inadequate revenues, and then, as you're discussing that, you open up their annual reports, and the revenues are overflowing in all directions.

And this is serious, because I don't know what the West Virginia figures are. If his are 100 million, that means, probably, ours are more, because there are so many chemicals and coal and timber that comes out of our state—car parts, all kinds of things. And I think it's just a question of a Cabinet officer, sort of, grappling with that issue. And we've been—I've been at it for 22 years, made absolutely no progress whatsoever, and so have others. It affects every one of us individually, as—virtually equally. Senator Kay Bailey Hutchison isn't here today, but, you know, Houston was just in a mess—or parts of Texas were in a mess when a certain situation happened down there. And it's got to be solved. And I think your transparency creates an atmosphere for doing that. I mean, maybe there would be a special meeting that you call. I met with the head of one of the big railroads this morning, and he seemed very open, accommodating in his attitude. Maybe things are changing.

It isn't good enough to, sort of, take an individual industry which is having a problem and then make an accommodation to them, because that slides past the real problem. But that's a hard one.

I would also mention the safety of motorists and pedestrians who—at rural rail crossings. That's a huge thing in West Virginia. And it's a—it's not just you, it's the DHS, Coast Guard, TSA, the Corps of Engineers, all kinds of other folks, local also, and the behavior of people. But it is an enormous problem. And I won't ask for an answer right now, but I would actually appreciate if you would, maybe, send me a letter giving me some of your thoughts on what we do about that, because the costs involved and the safety involved—like you mentioned, the child with the seatbelt—well, this is, sort of, Americans with a seatbelt for a period of a number of yards. And a lot of people die as a result of this.

Another issue that I would just bring up is the—something that we face very much in West Virginia, where we have—only 4 percent of West Virginia is flat. Everything else is either going up or

down. And so, that means that when you have as many chemicals as we do, up and down the Ohio, and then into the interior and the Kanawha River, so, it was really the foundation state for chemicals—and so, there's the question of, what do you do when there's an incident, whether it's a terrorist attack or whether it's just a car that overturns? And the way of systematically handling those problems is something that is in your realm.

And I would conclude, with 12 seconds. I am ranking on the Aviation Subcommittee here, and we've seen that the aviation industry has been turned upside-down, as you very well know. And its budget—the FAA's budget for dealing with these things—the Congress has consistently rejected cuts to airport construction funding. We ought to be redoing O'Hare Airport. I was there 2 days ago. I mean, it's wildly inefficient for today; very, very expensive. But the budget that gets submitted for FAA construction is extremely important. You will have a voice in that.

Ms. PETERS. Yes.

Senator ROCKEFELLER. And I want you to be sensitive to—you know, we've had all kinds of things that have been taken from our budget, but some of these things affect Americans every single day.

And, with that, I'd just say that if you would think about those, respond to me on the rail-crossing thing, and to say that I'm going to very proudly vote for you. And evidently, very soon.

[Laughter.]

Ms. PETERS. Thank you, sir. Thank you, sir.

Senator ROCKEFELLER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Next is Senator Burns.

**STATEMENT OF HON. CONRAD BURNS,
U.S. SENATOR FROM MONTANA**

Senator BURNS. Thank you, Mr. Chairman.

Ms. Peters, thank you very much, and congratulations on your nomination. And we're glad you're willing to serve.

Ms. PETERS. Thank you.

Senator BURNS. Senator Rockefeller was talking about aviation, and the area of aviation. I think our challenges there are a great deal more than they were before 9/11. All the passengers are back in the air prior—we had prior to 9/11. But the problem is, it's taking more airplanes to carry them. We've got our regional jets now, not big—not as big as airports, but making more frequent flights. I think that is—has to be put in the mix. And general aviation—how general aviation is treated, it will play, I think, an even larger role in the years to come. And if decisions are made in the Department of Transportation, in the FAA, or wherever, we've got to make sure that the big and the small are considered, and to be at the table.

And as we talked about—in surface transportation, I think we're going to be facing great challenges in the terms of capacity constraints in our network. The next 20 years, freight shipments are expected to dramatically increase, placing serious demands on roads, aviation, rail, and waterways. My particular concern, as you know, relates to the role of what freight rates—or the freight railways play in our nation's infrastructure. I think we have a problem

in the rail industry that cannot be ignored any longer. There are capacity constraints. I understand that. But most of those limitations are a symptom of a much larger problem, the lack of meaningful competition for rates and service in many parts of our country, especially Montana, and I think Senator Dorgan alluded to that for North Dakota a little while ago.

We've got to remember, the other day, the Surface Transportation Board issued some rules on trying to deal with small shippers, that they may have a place to obtain, but it's anything under \$200,000. That's—that is—that rule is not—I don't think has a lot of merit to it. And we will probably address that, some way or other, here in this committee.

But one has to remember that it is in the law now, in Section 10101, in Title 49 of the U.S. Code— "...it is the policy of the United States Government to allow, to the maximum extent possible, competition and the demand for services to establish reasonable rates for transportation by rail." But there's also another line to that, "to maintain reasonable rates where there is an absence of effective competition." We have to address that. And—because it's being reflected not only in our grain that we ship from the State of Montana to our ports, but the energy, the coal we ship from our—from ours that goes into—that goes into electricity. And, of course, ratepayers pay that. And we've seen a big increase there. And we have to deal—now, we have to deal with it in the context of what's good for the railroad, too, because we cannot operate without good rail service. We can't—we have to have them. But we're down to four. And so, we have to find some way—some way that the small and the large can survive, and along with our railroads, even our short lines and how we handle that.

And there are certain things that we can do, and we should do in the near future, in order to address those problems and still take care of the infrastructure that they need to improve their capacity to move freight by surface transportation.

Amtrak, I will tell you, I want you to move some folks down to the Department of Transportation.

Ms. PETERS. You've mentioned that, sir.

Senator BURNS. I mentioned that to you, and I think it—because they have to be in the overall mix of our transportation plan in this country. And everybody says there's no—there's nobody who rides those trains across—the *Empire Builder*. Try and get on it, because it's a pretty busy train from Minneapolis to Seattle.

So, those are the areas that I think—and I look forward in working with you in all of these challenges. I have no questions now. Thank you for coming to the office and visiting with us. Mr. Chairman, thank you very much for holding this hearing. And let's us get this—let's get this person in the seat that she deserves.

Ms. PETERS. Thank you, Senator.

The CHAIRMAN. Well, thank you very much.

I have to amend the statement I made, because absent Senators may have questions for the record that you will need to answer, so we will delay the vote on your nomination. But we will meet off of the floor on the next vote after the questions have been answered.

Ms. PETERS. Thank you.

The CHAIRMAN. They will be presented to you in writing by tomorrow at 10 o'clock.

Ms. PETERS. Thank you.

The CHAIRMAN. Senator DeMint?

**STATEMENT OF HON. JIM DEMINT,
U.S. SENATOR FROM SOUTH CAROLINA**

Senator DEMINT. Thank you, Mr. Chairman. And I want to express to you my full support for the nomination of Ms. Peters. I appreciate her courtesy in coming by my office. She has actually been to South Carolina to work on some innovative transportation solutions. I think she is open to consider innovative ideas.

I think we all know that the federal Department of Transportation can do only so much, and I think it was the thought of considering taking some of the road responsibilities back to local and state governments while we look at national infrastructure for rail and what we're going to do with aviation may make sense at this time—and she seems willing to look at some innovative ideas.

So, I appreciate her very much and look forward to supporting her nomination.

Ms. PETERS. Thank you, Senator.

The CHAIRMAN. Thank you, Senator.
Senator Smith?

**STATEMENT OF HON. GORDON H. SMITH,
U.S. SENATOR FROM OREGON**

Senator SMITH. Yes. Thank you, Mr. Chairman.

And, Mary Peters, I congratulate you on your nomination. And I join my colleagues, on both sides of the aisle, in looking forward to voting affirmatively for your confirmation.

As we spoke in my office about a range of issues from planes, trains, and automobiles, you've got a huge job. And I know you're up to it, both personally and professionally. You're a wonderful selection.

There are now reports coming out that the Highway Trust Fund will be out of money by, or short of money by 2008. Yet, Americans love to travel, and they particularly love their cars. We previously spoke of the I-5 Columbia River corridor that connects the States of Washington and Oregon, and the congestion is so bad there that by 2 in the afternoon it's a parking lot, and yet, it is a vital link for commerce and transportation in our country.

So, obviously, I'm anxious to work with you and to learn of any ideas you have to help us to alleviate the congestion on our highways and how we're going to finance it.

Ms. PETERS. I'll look forward to that, sir.

Senator SMITH. I want to comment on the railroads. Obviously, part of alleviating congestion on our roads is investing in our rails. And the Federal Government has had a minimal role in investing in rails. On the Finance Committee we recently implemented a tax credit for the railroads to invest in rails, and we find, in the operation of that tax credit, that much of it was nullified by the AMT. The IRS is now coming out with a ruling further restricting it, and, therefore, frustrating the very unanimous—or near unanimous intent of Congress.

Anything you can do to help us come up with ideas for how we can obtain more investment in rails, both cross-country and short line, would be appreciated. It is critical to relieve congestion on our highways and to increase efficiency in our transportation means.

I would also throw in my support for Essential Air Service. Oregon has many rural places. It's a big state, geographically, and rural airports cannot be forgotten. I appreciate anything that you can do for those rural airports.

And I look forward to working with you on these issues.

[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON H. SMITH, U.S. SENATOR FROM OREGON

Congratulations on your nomination. You have an excellent track record on transportation issues, particularly road and highway issues. I look forward to working with you in solving our nation's transportation problems and developing Oregon's unique transportation projects.

I have a great deal of interest in how this country is going to address the increasingly congested and overburdened transportation system. Our airports and airways are reaching their saturation point. There is concern the Aviation Trust Fund is running out of money and the aviation transportation infrastructure is outdated and overwhelmed.

Our highways are experiencing unparalleled amounts of congestion. New construction projects can not keep up with demand. There are now estimates that the Highway Trust Fund will be out of money as early as 2008.

A perfect example of this congestion is the Interstate-5 Columbia River Crossing linking Oregon and Washington. Interstate-5 is a vital commercial link along the Pacific coast. In its current state, the congestion is so bad along this route that backups begin to occur at 2 p.m. in the afternoon. This congestion is currently choking the region, restricting commerce along the corridor, costing our businesses extra money in time and fuel and frustrating drivers of all types.

Our national transportation systems are reaching a critical point. I expect you to put forth the necessary leadership to address these problems and work with Congress to develop adequate, affordable, and common-sense solutions.

There are a couple of issues I would like to raise. To begin with, I am concerned with the Essential Air Service to the rural airports in my state. In Fiscal Year 2007, the President's budget included a \$59 million reduction for this vital program, from \$109 million to \$50 million. My hometown airport, Eastern Oregon Regional Airport in Pendleton, is a recipient of EAS funds. Such a cut would hurt these airports. I am aware that there have been efforts to change the funding formula for this program and I suggest you work with Congress to make the needed changes, these changes must be made without placing too much of the financial burden on these small communities.

Oregon's medium-sized airports are expanding. Roberts Field in Redmond now services San Francisco, Salt Lake City, Denver, Los Angeles, Seattle, Eugene, and Portland. McNary Field in Salem has an opportunity to add jet service to Salt Lake City in the coming months. The airport has done an admirable job of improving its aviation capabilities and the Salem business community stepped up with a commitment of over \$500,000 to expand the airport and make it suitable for a major carrier use. In order to address this increased demand, these airports must continue to expand to keep up with this expansion. I hope that we can work together to ensure these airports receive the support they need from the Department of Transportation.

We are shipping more products today, using all modes of transportation, than ever before. As our economy continues to expand, transportation demands will only increase. Railroads are an efficient and safe means to transport goods, and a critical component of our national transportation system. It is important that our railroads have sufficient capacity to accommodate the shipping needs of our nation. Sufficient rail capacity is not only important to the rail industry but also to the overall health of our transportation system. Increasing capacity and shipping more products by rail will also alleviate congestion and strain caused by trucks on our Nation's highways. Although our railroads do not receive Federal funding similar to our highways, this mode of transportation is vital to our economy and our nation.

Portland has a state-of-the-art light rail transit system. There are other communities, such as Denver, Salt Lake, and Phoenix that are passing local measures to match Federal funds for light and commuter rail. The Federal funds needed to con-

struct these types of projects are going to have to grow to meet demand. I support these transit projects as they lead to a high return on investment to help remove cars from the roads, leading to less congestion and a cleaner environment. They are easy to use, safe, and clean. I am interested in hearing your thoughts on the expansion of these transit programs and how to fund these increasingly popular transit systems.

Congratulations again on your nomination. I look forward to working with you to update and grow our nation's transportation infrastructure.

Ms. PETERS. Thank you, Senator.

Senator SMITH. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Smith.

Senator Lautenberg?

**STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY**

Senator LAUTENBERG. Thanks, Mr. Chairman. And greetings, Ms. Peters.

It looks like you have made a lot of friends in your private discussions, and I, sort of, feel the same way, but I've got a couple of questions to ask.

Ms. PETERS. Absolutely.

Senator LAUTENBERG. The fact of the matter is that, while we can't do much about the destruction that we get from extreme weather and other conditions beyond our control, we can do things to provide transportation. And I'd like to know that you're going to tackle all the problems that exist for every mode of transportation.

And so, let me start. Mr. Chairman, you will have full opening statements in the record, I assume? Yes, he said.

[Laughter.]

Senator LAUTENBERG. Mr. Chairman, you didn't object, right? OK.

[Laughter.]

[The prepared statement of Senator Lautenberg follows:]

PREPARED STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY

Mr. Chairman, thank you for holding today's hearing.

Like electricity and water, we need and expect our transportation systems to work. Trains must run. Planes must fly. Roads must be paved. Our personal livelihood and national economy depend on it.

If confirmed, we will look to Ms. Peters, to keep our system running as Secretary of Transportation. With, freight cargo doubling, our skies getting more crowded and cars and trucks stuck in congestion on highways across America, you will have much to do to keep our country moving. If Ms. Peters takes the helm at the Department of Transportation, I hope she will focus on passenger rail.

This committee developed legislation to grow our nation's rail infrastructure for high-speed corridor service—and provide \$11.4 billion over 6 years to reauthorize Amtrak. Senator Lott and I hope to debate that bill on the floor soon. The Amtrak bill will help bring balance to our nation's transportation system. This year alone, we will spend more on highways than we have in the last thirty-five years on passenger rail.

Another area of concern is aviation. As you know, Conair Flight 5191 crashed in Kentucky. Forty-nine people were killed. Only one air traffic controller was on duty—contrary to Federal Aviation Administration policy. We already have 1,081 fewer controllers in our towers than we did 3 years ago—and seventy percent of those controllers can retire by 2011.

These are difficult problems, and I look forward to questioning Ms. Peters.

Thank you, Mr. Chairman.

Senator LAUTENBERG. You certainly have experience on the highway side of things, but future transportation needs of our country will not be met by highways alone. I've met with officials from the freight rail industry. And, you know, I'm very concerned about Amtrak, and listen with interest as other Senators from other parts of the country beside the Northeast have shown today a serious interest in seeing that Amtrak continues to operate and appropriate investments are being made to bring it up to date. This year, we're going to celebrate the 35th anniversary of Amtrak. But the budgets tell us the true story, that in a single year we spend more on highways than we've spent on Amtrak improvement over the last 35 years. And we just can't continue like that.

It was noted that the skies are going to be fuller with the advent of the light jets. Right now we're trying to find room in our national airspace for all the flights that we have—by reducing separations and limiting flights at certain airports. But I also note that there are shortages of air traffic controllers. At Newark, for instance, Federal Aviation Administrator Blakey has said we need 35 controllers for safe operations, but we're 15 percent short. And so, we have to continue to see that that population is built relative to the need.

Ms. PETERS, do you see a role for rail service as part of a security measure dealing with emergencies like 9/11 or the hurricanes, like Katrina? Do you see rail as an essential part of that structure that helps us deal with these emergencies?

Ms. PETERS. Well, Senator, I also agree that we need a national passenger rail system. And I certainly, to respond to your specific question, see a role for passenger trains, in terms of evacuating areas. In fact, part of the emergency response that is in place in the post-Katrina situation for the Gulf Coast area is to use Amtrak to help evacuate people from that area, should another hurricane come into the area.

Senator LAUTENBERG. I have a letter that you sent to Senator Kyl. It goes back a few years, but it is about the safety concerns with heavier, longer trucks. You wrote "rollovers and jack-knifings by trucks already"—this was, again 7 years ago—"already a problem on our interstates and our highways. In addition to safety consequences, we're reminded about the effect of additional weights on our highway facilities, especially bridges." Do you still maintain that view?

Ms. PETERS. Senator, I do. I think safety has to be a predominant consideration, and certainly the wear and tear on our roads. If confirmed, I would look forward to discussing that issue with you. There are circumstances where we could perhaps define situations where longer and heavier trucks could be safe, but I share your concern about making sure that safety is always first in this issue.

Senator LAUTENBERG. The principal thing for us is to make sure that we have this balanced highway system. And so, we've discussed shortages in FAA controllers, the search for more capacity in the airspace, on the freight rail lines, and dealing with the congestion and pollution that we now get from jammed highways. So, we have little choice. Senator Lott and I have a bill that's sponsored by many of our friends here to get Amtrak the Federal fund-

ing that would permit it to operate without having to go out there with a tin cup every time they need something. So, I'm hoping, Ms. Peters, that you will join us in that quest to make sure that Amtrak gets the investment that it needs to bring our country's passenger railroad up to date.

Ms. PETERS. Senator, I look forward to working with you.

Senator LAUTENBERG. Thanks.

Mr. Chairman, are we going to have another 5-minute round?

The CHAIRMAN. Yes.

Senator LAUTENBERG. Thank you.

The CHAIRMAN. Senator Pryor?

**STATEMENT OF HON. MARK PRYOR,
U.S. SENATOR FROM ARKANSAS**

Senator PRYOR. Thank you, Mr. Chairman.

Ms. Peters, thank you for being here before the Committee today.

Let me ask a couple of questions about trucking security. Last week, the Senate passed the port security bill, and it had some trucking security provisions in there to clarify authority and responsibility when it comes to fraudulent CDLs, state and local law enforcement, those type issues. I've noticed, in some of my reading, that the FMCSA is considering a pilot program to allow some long-haul Mexico-domiciled motor carriers to operate throughout the United States. Do you know anything about that?

Ms. PETERS. Sir, I have also heard that, Senator. And I have asked the question. And there are no immediate plans to do so.

Senator PRYOR. OK. I'd—if there are plans, I'd be curious about what statutory authority there is to do that. Do you know what statute might give the agency that authority?

Ms. PETERS. Sir, I do not. And I understand your concern about the issue, and, if confirmed, would look forward to getting to the bottom of the so-called rumors and addressing the issue.

Senator PRYOR. I'd say this, that—and I look forward to working with you on this, but I would say this, that if DOT is planning on moving forward, the kinds of things I would want to know is, what legal authority is there? And then I would want to know, is there some sort of agreement with Mexico to allow U.S. safety inspectors and auditors to look at the trucks? Do they have to meet the same requirements that U.S.-domiciled carriers have to meet? Would they have to pay all the same fees, the various registration, fuel taxes, those kind of things? Would they have to do the international registration plan, the IRP, and the internal fuel tax agreement? Would they have to comply with all the same rules and regs that the U.S. carriers would have to? So, as you look at that, I would very much appreciate having a dialogue with your Department and those agencies as that is being developed.

And the other thing I wanted to touch on, something you and I talked about several days ago, is the real infrastructure needs that we have in this country. I mean, we just talked about trucking. Obviously, our highways are overcrowded. We all know that in the trucking industry there's a driver shortage right now. But you look at our railway system, it's about at capacity in many places. Air Traffic Control Systems are outdated. We've not done a great job of upgrading and maintaining our locks and dams on our rivers.

You know, we can go through a long list of our needs. And I know part of your responsibility is to try to address all those things. And I know you've given that a lot of thought. But let me just ask my question, then I'll let you answer.

In some of my reading, I read where you said that we can't depend on the Federal Government to bring the money in, that it was around—that was around when the interstate system was first built. And I guess my question is, what does that mean? When you say, "We can't depend on the Federal Government to have that same kind of money when the interstate system was first built," what does that mean? That sounds like toll roads, to me, but I'm curious to hear your response on how you think the Federal Government will—or we, as a Nation—will pay for these transportation needs that we have.

Ms. PETERS. Sir, the basis of the remark was the fact that the gas tax system which was put in place to finance the interstate system is likely not going to be viable to help meet all of our nation's transportation system needs in the future, because of the greater incidence of hybrid or alternatively fueled vehicles coming into the fleet, which is a very good thing, in terms of air quality and other issues. So, the basis of my remark was that we have to look beyond those traditional methods of funding infrastructure to look for new and innovative ways to bring a diversified set of funds to bear to meet our nation's transportation needs.

Senator PRYOR. Does—would that include toll roads?

Ms. PETERS. It could very well, sir, yes.

Senator PRYOR. Would that include toll roads on existing highways, or just on new construction?

Ms. PETERS. Sir, I believe that the intent right now is only on new construction or improvement construction, but those are decisions, as was mentioned by one of your colleagues, that I think are better made, in most cases, by state and local governments. However, the Federal Government certainly has an interest, especially in our interstate system, in ensuring that that system continues to serve all Americans, and, importantly, serve commerce needs throughout the United States. So, it is an issue that I would look forward, if confirmed, sir, to discussing more with you and learning more about your position on the issue.

Senator PRYOR. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Snowe?

**STATEMENT OF HON. OLYMPIA J. SNOWE,
U.S. SENATOR FROM MAINE**

Senator SNOWE. Thank you, Mr. Chairman.

I welcome you, Administrator Peters. And you certainly come with, you know, the highest level of commendation with respect to your past accomplishments and experience, so I'm very pleased that you'll become the next Secretary of Transportation because of your breadth of expertise in the areas that are going to be so critical to the future.

I know some of my other colleagues on the Committee have already referenced it, and I'm very pleased as well that we had the opportunity to meet recently on some of the issues that I consider

to be critical, certainly to my State of Maine, as also to, I think, the national transportation policy. But obviously as we look to the future, one of the concerns that I had, and I've expressed, is making sure that, you know, rural states like Maine are not forgotten in the overall transportation policy.

First of all, as I mentioned to you about Amtrak—and we were fortunate to be one of the last states to have the benefit of an extension of Amtrak from Boston to Portland, and it's extremely successful, has a 92-percent, you know, customer satisfaction rate, because of the outstanding services provided to the people of Maine and the vicinity. It's worked exceedingly well, so much so that we're looking to extend it even further up into the State. It's heavily utilized. It's one of the most successful routes—second-highest revenue routes in the country. So, I think that there's no question this bodes well for the future.

And one of the reasons for its success, as I mentioned to you, was the Federal waiver that was granted to the State to use the Congestion Mitigation and Air Quality funds for that purpose, and that will expire in 2009. Can you state for this committee what your views are with respect to the use—the flexibility using Federal transportation funds for this purpose? Because that certainly has contributed to the success for the *Downeaster*, the extension of Amtrak to Maine, and certainly will in the future, and if—particularly if we want to extend that service even further up because it's so heavily utilized by the people in New England, in my state.

Ms. PETERS. Senator, as a former state transportation administrator, I very much encourage the exercise of local discretion to use funding that is allocated to states, such as Maine has done, to help support the Amtrak operation. In fact, in terms of having a viable national transportation—rail transportation system, I think having that kind of flexibility, and state participation and involvement, will be essential in the future.

Senator SNOWE. Well, I appreciate that, because I think that it is—I think it's going to be critical. You know, I happen to believe in—and I gather you share that belief, as well—that it is essential that the Federal Government play a role in creating a strong national rail system. It is absolutely essential that we have one, and one that—obviously, that's going to provide—that's going to have the benefit of Federal support. You know, hopefully we can move, you know, further and further away from, you know, huge Federal subsidies. I mean, that's obviously what we have striven for in this committee over the years. But, nevertheless, I think it's so vital and central to our overall transportation policy.

Second, on aviation, rural aviation—and, again, I know my colleagues have raised this issue, but I do think it is paramount—and that is, of course, regional airports, such as those that exist in Maine, or Essential Air Service communities that depend upon the Essential Air Service, you know, funding. And one, of course, is the fact that—first, referring to the operational evaluation plan—it seems that much of the focus in the past of—by these plans—and certainly the most recent, focused on the large hub airports—understandably so, because of the congestion that exists at these hub airports. But, on the other hand, what concerns me is what is occurring in, you know, my state with the small regional airports, is

that we're, you know, losing—a loss of seats and overall—both in terms of flights and seats in passenger service—there's no question that our airports have been very hard hit over the years, and yet it's pivotal and central to economic development.

So, I would like to get your views—one, in terms of examining, you know, how you incorporate, you know, regional airports and those that serve the rural states of this country, in the overall plans for the future.

Ms. PETERS. Senator Snowe, I do think it's essential to have air service into our rural areas. You know, it's been over 25 years since deregulation of the aviation industry, and we—we need, I think, to look again at how the service is working, and look at the situations that you describe, and determine where it's most appropriate to provide assistance to those airports.

Having come from a state, also, with a large amount of rural area, I do appreciate how important those regional airports are, and think they have to be part of the complement of transportation services in the future.

Senator SNOWE. Well, I appreciate that. And I hope you will give that consideration, since they play a premier role in the development of our economies, as does the Essential Air Service program that—you know, Maine is one of the—other than four other states, we're the largest beneficiaries of that program. It's absolutely vital to ensure that those airports receive that service.

I'm also concerned about the Administration's proposed, you know, community cost-sharing between the Federal Government—in some cases as much as 80/20. It's something that we have rejected in the past, and certainly, hopefully, will do so in the future, because I think that places an inordinate burden on those communities that depend on the EAS program. But in—it's obvious it's going to have a paramount impact on them if they have to—if they have to provide for the cost-sharing and they see a reduction in the overall program, which—the Administration has submitted, you know, a program and a budget for that, for less than, I think, half of what exists today.

Ms. PETERS. Senator, I absolutely understand your concerns in that area and would be happy to get more information, should I be confirmed, and follow up with you personally on that.

Senator SNOWE. I appreciate that. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Peters, I'm told that while you were reading your opening statement this committee finally received clearance to seek unanimous consent to pass the National Transportation Safety Board reauthorization bill. Aviation safety is one of our major concerns.

In Alaska, I was alarmed when I found that one out of 11 pilots were being killed in aircraft accidents, and we have the highest number of pilots per capita in the country. We developed what we called the Five Star Medallion Program, with the help of the Department of Commerce and FAA, and we have reduced significantly pilot deaths and increased safety in our state.

I want to know if you're willing to come up and take a look at that program and study it to see if it couldn't be replicated

throughout the United States, particularly the rural areas of the United States.

Ms. PETERS. Mr. Chairman, it sounds like an exemplary program, and one I would be very pleased to come to Alaska to review.

The CHAIRMAN. I look forward to showing you a little bit of my marine research capabilities, too.

[Laughter.]

Ms. PETERS. Ah. I'll look forward to that, sir.

The CHAIRMAN. I want to get back to the whole problem of financing. As other Senators have said, FAA will be reauthorized next year. And we've had hearings now on aviation investment needs. And I think we're going to have to have a major session with the aviation communities in order to try and develop a plan. We need a financing option that pulls in both the increased needs, in terms of investment, and the transformation to the next-generation air transport system. I do hope that that is something that you will help us on. As a matter of fact, we have one of your people here on this committee as a fellow for a year to help find ways that we can work together on that issue.

I've not talked about highway issues. We all know your background is in highways. And so, all I can say is, is that we have an increasing number of fatalities on our highways. I think if we can't reverse that any other way, we're going to have to restore the speed limits on interstate highways. We have to find some way to reduce those deaths.

Ms. PETERS. Yes.

The CHAIRMAN. And each year they're going up. So, I would hope that we would have a chance also to work with you on that, particularly with regard to the fatalities on our interstate highways.

Ms. PETERS. Mr. Chairman, you have my commitment to do so. There is no higher priority at USDOT than reducing the number of deaths and injuries that occur on our nation's highways every year.

The CHAIRMAN. Yes. I was appalled at some of the statistics I saw today as we prepared for this hearing, and that is an alarming rate of increase.

Let me now turn to Senator Lautenberg.

Senator LAUTENBERG. Thanks, Mr. Chairman.

Ms. Peters, you struck a note of alarm with me, which passed because I ran out of time, but to say that you were looking at the opportunity in—for areas where truck size and weight standards could be changed, so long as it's done safely. Now, if I look at your letter that I mentioned before, when you were with the Arizona Department of Transportation, you talked about the damage that results from heavier weights in the trucks. And here, you're telling us—and we're laggard by billions and billions of dollars in repairing bridges. We have lots of functionally obsolete bridges across the country. And I hear you say you're looking for opportunities to increase truck weights—the size and the weights. Isn't that kind of a reversal of position? And, if so, please let me know, because that's not something that I would take to as a positive indication of where you want to go.

Ms. PETERS. Senator, please forgive me if I miscommunicated on that. What I was referring to is that some states are considering

proposals for truck-only lanes, lanes where trucks might be segregated from the rest of the traffic, with deeper pavement depths, deeper pavements that would withstand the weight of a truck better. If traffic could be segregated as in those weight proposals—which some states are considering now—that is what I was referring to. I was not referring to lifting the “Longer Combination Vehicle” freeze or the truck size and weight limits. The position that I took in that letter, back 7 years ago to Senator Kyl, remains my position.

Senator LAUTENBERG. OK. I just wanted to be sure that we’re on the same truck length, as they say.

And the matter of foreign ownership of our airlines, ownership and control, that’s a matter of great concern to me, and to many of us. U.S. airlines are important national assets. And I’d be wary and resistant to the notion that we might turn over—let control be taken by foreign owners. I think it’s a bad idea, for many reasons. But do you intend to—if you’re confirmed, to pursue changes in the rules on foreign ownership of U.S. airlines?

Ms. PETERS. Senator, I certainly have heard your concerns, as well as those of many other Members of this committee, and of Congress, as well, and I do understand that there have been comments received by the Department on a supplemental notice of proposed rulemaking as it relates to the control of airlines. I commit to you that I will carefully review all of those comments, and review them with you, and talk with you, before the Department makes any decision on that issue.

Senator LAUTENBERG. You’re aware of the fact that there is a strong interest, in our region, to open up another rail tunnel under the Hudson River—

Ms. PETERS. Yes.

Senator LAUTENBERG.—so that we can increase the capacity to allow enough trains to go through there. And I’d like to know that you will at least consider seriously the requests for help from you to make sure that we get going with that project. That’s a project of national interest, even though the tunnel is between New York and New Jersey, because right now it is the biggest bottleneck on the entire Northeast Corridor from here to Boston. And so, can I have an indication of the fact that you’re—that you understand the need for this tunnel and will be helpful to us as we pursue a way to get it done?

Ms. PETERS. Senator, certainly. I certainly appreciate the need for that tunnel, and have had an opportunity to work with my former colleagues, Jack Lettiere, as well as Joe Boardman, who are now in different positions, but have impressed upon me the need for transportation solutions in that area.

Senator LAUTENBERG. Now, I don’t want to ask any questions that might be interpreted as being on the personal side, but you’re a motorcycle rider, are you not?

Ms. PETERS. Yes, sir, I am.

Senator LAUTENBERG. Do you always wear a helmet?

Ms. PETERS. I never ride without a helmet, sir.

Senator LAUTENBERG. I just wanted to be sure, because—
[Laughter.]

Senator LAUTENBERG.—everybody—I would buy you one, if you didn't have one.

[Laughter.]

Senator LAUTENBERG. Because I had a ski accident a couple of years ago on my skis. The helmet that I was wearing was 2 days old, and I've been skiing 60 years, and it virtually saved my life. I had to go in for emergency surgery as a result of that.

That was for foolishness, Mr. Chairman.

[Laughter.]

Senator LAUTENBERG. Thank you very much, Ms. Peters. I look forward to working with you.

Ms. PETERS. Thank you, Senator.

The CHAIRMAN. A bike rider, huh?

Ms. PETERS. Yes, sir, an avid motorcyclist. In fact, I own two.

The CHAIRMAN. You've got another one down there at the White House, in Josh Bolten. Now we understand why you move so quickly.

[Laughter.]

The CHAIRMAN. We thank you very much. As I said, there are some absent Senators and we have agreed that they will have until 10 o'clock tomorrow morning to file questions. As soon as those answers are received, we will move to consider reporting your nomination to the floor, in a meeting held in the President's Room off the floor. I cannot tell you exactly when that time will be. It depends on how long it takes you to answer those questions.

We do thank you very much for your appearance today, and I think you've been very frank to all these people. You've made some promises that I'm not sure you can keep, but that's all right.

[Laughter.]

Senator LAUTENBERG. I'll be hanging over there, Mr. Chairman.

The CHAIRMAN. I understand. We do have a fairly bipartisan approach to many issues, particularly in transportation here in this committee. I look forward to working with you, along with our Co-Chairman and members on both sides of the aisle. You have a grand assignment. It's a very difficult one. We wish you very well.

Ms. PETERS. Thank you so much, sir.

The CHAIRMAN. Thank you. The Committee is adjourned.

[Whereupon, at 3:40 p.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF GEORGE CHILSON, PRESIDENT, NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

I commend the Bush Administration for nominating Mary Peters to lead USDOT. Her comprehensive vision of transportation makes her an excellent choice.

I had the pleasure of working with her when she was director of the Arizona Department of Transportation. I found her to be smart, creative and action oriented as well as open-minded and willing to listen. I was most impressed by the fact that she had a strong belief in multi-modal transportation.

I believe she understands that rail will become an increasingly important component of our transportation system as we confront the dual challenges of intractable congestion and rising oil prices. Rail represents a strategic solution that will help preserve America's mobility, quality of life and competitive position in a global economy as we adapt to new realities.

If confirmed as Secretary of Transportation by the Senate, she will have an important opportunity to broaden the scope of Federal transportation policy beyond its traditional emphasis on highway & air transportation. Her talent for finding common ground among competing and diverse interests makes such an important change possible.

There is increasing recognition that public investment in rail infrastructure is essential just for freight railroads to maintain their existing market-share, much less increase it as most Americans including DOT officials would like. Maintenance and growth of rail's market share is critical for maximizing safety, fluidity and energy efficiency of our national transportation system, and for minimizing that system's environmental impacts.

The Alameda Corridor in southern California and the CREATE project in Chicago are happy exceptions to an overall pattern of Federal non-involvement in rail infrastructure investment. Railroad trackage in the New Orleans area has needs similar to those in Chicago. One of Ms. Peters' challenges will be to make critical investments in rail the rule rather than the exception. We look forward to working with her on this.

If Ms. Peters succeeds in finding ways that incorporate rail within the scope of Federal transportation policy and planning—as I believe she will—her appointment will prove to be a transforming event that will serve the American people well for generations to come.

NARP urges speedy confirmation of Ms. Peters and looks forward to a productive dialogue with her about the future of passenger rail in America. Thank you for considering our views.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO
HON. MARY E. PETERS

General

Question 1. What do you believe are the significant challenges facing the U.S. transportation system? Do you believe that the Department of Transportation is doing all that is necessary to prepare the Nation for the transportation challenges ahead?

Answer. The most significant challenges facing the U.S. transportation system are safety, system reliability, and the uncertainty of future funding sources. I believe that the Department is confronting each of these issues head-on, and if confirmed, my goal will be to make significant advances in each area during my tenure.

Question 2. The Department of Transportation is a collection of stove-piped modal agencies, with modal-specific programs and responsibilities. Do you believe this structure restricts the ability of the Department to address the needs of our multi-modal transportation system?

Answer. While it is true that the Department's modal administrations were established with specific programs and responsibilities, I believe the Department can and will continue to evolve to meet the Nation's transportation and economic needs by building links across those administrations to address new developments in safety, multimodal travel, and international transportation. Breaking down traditional stovepipes was an important goal of Secretary Mineta's and one that I also intend to embrace if confirmed.

Amtrak

Question 3. As Secretary, you will have a position on Amtrak's Board. Will you regularly attend the Board meetings or do you plan to have a designee attend on your behalf?

Answer. If confirmed, I intend to appoint Federal Railroad Administrator Joseph Boardman as my designee on the Amtrak Board, and will remain informed of the issues before the Board.

Question 4. What is your personal vision for the future of intercity passenger rail in the Nation?

Answer. I support a national rail passenger system. I believe the system must be operated on a sustainable business model and deliver maximum benefits to consumers while recognizing the need to invest the taxpayers' money wisely.

Question 5. Do you agree with the Administration's Amtrak reauthorization proposal and previous suggestions that Amtrak should be reformed through bankruptcy?

Answer. I support the Administration's desire to have a national rail passenger system that is driven by sound economics. I do not believe that bankruptcy should be the preferred route to reform.

Question 6. Do you believe that multi-year, dedicated funding is a critical aspect of the Federal highway, transit, and aviation programs? Should such multi-year and dedicated Federal funding exist for major intercity passenger rail capital projects for use by Amtrak or the states? If so, what should be the funding sources and how should the funding be distributed? If not, why is Federal multiyear, dedicated funding not appropriate for major passenger rail capital projects?

Answer. I will support dedicated funding for a national passenger rail system that is operating on a sustainable business model. I believe that multi-year funding should be established through a reauthorization and if confirmed, I look forward to working with Congress to pass such legislation. I am sure the structure and source of such funding will be the subject of a lively debate and I look forward to discussing that issue with Congress and the stakeholder community.

Question 7. What is your personal opinion of S. 1516, the Passenger Rail Investment and Improvement Act of 2005?

Answer. I have not had the opportunity to study S. 1516 in great detail. However, I do support a national rail passenger system, and I understand S. 1516 incorporates a number of key reforms. If confirmed, I look forward to working with you and your colleagues to pass a long-term reauthorization to end the annual funding crisis that Amtrak has operated under for too many years now.

Question 8. According to Amtrak data, three Amtrak lines—the *California Zephyr* (Oakland, CA to Chicago, IL), the *Coast Starlight* (Seattle, WA to Los Angeles, CA), and the *Sunset Limited* (Los Angeles, CA to New Orleans, LA)—were more than 4 hours late over 50 percent of the time in the month of June. This has been the case for the *Coast Starlight* for the entire Fiscal Year (since October 1, 2005). As Secretary, will you commit to reviewing this situation, determining the causes of delays, and help to ensure that Amtrak's passenger trains are not unnecessarily delayed?

Answer. The success of a national rail passenger system is predicated on on-time, quality service. Amtrak cannot be successful if its trains continue to run late. I recognize that this is an area that Amtrak and the freight railroads, which control the right-of-way over which Amtrak operates, must address and I commit that the Department will be engaged on this issue if I am confirmed.

Motor Carrier Safety

Question 9. In 1999, the Federal Motor Carrier Safety Administration (FMCSA) set a goal of reducing truck fatalities by 50 percent by 2008, but it does not appear likely that this goal will be achieved under present conditions. Truck fatalities increased from 5,190 in 2004 to 5,226 in 2005. What would be your first actions as Secretary to reduce motor carrier crash deaths and injuries? What can the Congress do to make the most immediate improvements in truck safety?

Answer. If confirmed, safety would continue to be the Department's top priority. Congress, by passing SAFETEA-LU, has equipped the Department with additional tools to prevent truck deaths and injuries and one of my first actions as Secretary would be to ensure that FMCSA aggressively implements the relevant provisions of that legislation.

Question 10. FMCSA is preparing a rulemaking on the installation of Electronic On-Board Recorders (EOBR) to verify driver hours of service regulation compliance. When will this rule be released?

Answer. If confirmed, I will review the Electronic On-Board Recorder (EOBR) NPRM and work with FMCSA to expedite the rulemaking process.

Question 11. FMCSA has suffered the embarrassment of having had two of its major rules, one on commercial driver hours of service limits and the other on minimum training requirements for entry-level commercial motor vehicle operators, overturned by the U.S. Court of Appeals. Consumer, health and safety groups have sued the agency again on the Hours of Service rule because FMCSA essentially re-issued the identical rule overturned by the Court. How would you approach this rule if it should once again be thrown out by the Court?

Answer. If confirmed, I will always consider input from stakeholder groups on existing and proposed regulations, while at the same time ensuring that safety remains the Department's first priority. On the hours of service suit in particular, I will respectfully refrain from commenting while a judicial decision is pending.

Federal Railroad Administration (FRA)

Question 12. Do you support the Railroad Rehabilitation and Infrastructure Financing Program that was expanded in the SAFETEA-LU legislation?

Answer. If confirmed, I assure you that the Federal Railroad Administration (FRA) will continue to implement the law.

Question 13. Are you supportive of Federal financing for freight railroad projects that have significant national public benefits?

Answer. I recognize that our freight rail infrastructure needs to be upgraded and that there may be specific areas where public funds are justifiable, such as those that involve highway-grade crossing separation and highway congestion relief. The Chicago Region Environmental and Transportation Efficiency Program is a good example of a potential public-private partnership that can yield numerous public benefits. I look forward to meeting with the railroads to better understand their capital investment needs, and am also interested in exploring potential tax credits for rail infrastructure development.

Question 14. The Federal rail safety program authorizations have been expired since 1998 and the Department has not put forward a reauthorization proposal for rail safety since 2003. As Secretary, will you push the Department to release a rail safety reauthorization proposal?

Answer. I am aware that DOT launched the National Rail Safety Action Plan last year, which was issued in response to several major accidents. However, DOT must do even more to reduce the number of train accidents, including those that involve highway-rail grade crossings, and this means enhancing rail safety throughout the industry. If confirmed, rail safety will be a major focus of mine and I will work with Administrator Boardman to determine how best to accomplish the Department's rail safety priorities.

Question 15. One of the National Transportation Safety Board's "Most Wanted" recommendations is to require the equipping of mainline railroads with Positive Train Control (PTC) technology. Do you believe that freight railroads should be required to implement this safety technology as its effectiveness and availability increases?

Answer. If confirmed, I will ensure that the Federal Railroad Administration continues to work with industry to implement new technologies that will create a safer rail system; however, I do not know enough about this technology at this time to say it should be required for all railroads. If confirmed I will ask Administrator Boardman to brief me and will consult with industry stakeholders and my colleagues at the NTSB.

Question 16. Some rail carriers have proposed voluntarily installing PTC systems on their railroad, but only if they could operate certain trains over such systems with a single crew member. As Secretary, would you commit to ensuring that the safety aspects of any such single-person crew operations were thoroughly evaluated before such operations commenced?

Answer. DOT's core mission is safety. I assure you that no decision will be made on any issue until its impact on safety is fully addressed.

Question 17. I joined Senator Lott in introducing a bill that would provide tax credits to freight railroads for infrastructure and capacity expansion. Do you support this approach? Do you believe Congress should look at something similar for promoting the development of passenger rail capacity and infrastructure?

Answer. I recognize that the rail transportation network will need added capacity to meet the freight demands for the next several decades. I look forward to working with you and industry stakeholders to discuss ideas that could spur additional investment in rail infrastructure.

Highways

Question 18. Are there circumstances under which the new tolling of existing interstates might be appropriate?

Answer. Under current law, there is limited authorization to do so under the Interstate Toll Reconstruction and Rehabilitation Toll Pilot and the Value Pricing Program. I support states' having this flexibility to finance important reconstruction and rehabilitation of their Interstate routes and to manage congestion.

Question 19. In your nomination hearing, you mentioned that the gas tax is unlikely to be a sufficient source of Federal funds for surface transportation improvements in the future. What other sources of revenue do you believe the Congress should consider? Is moving to a mileage-based use tax for automobiles and motor carriers, given the new technologies that are available, an option?

Answer. I believe that we need to explore any number of innovative financing mechanisms. For example, a 2005 special report from the Transportation Research Board recommends expanded use of tolling and road use metering (as your question suggests) among other long-term alternatives for transportation funding. I believe we should explore all innovative possibilities that will allow us to maintain a vibrant and effective transportation system. I look forward to working with Congress and surface transportation stakeholders in this endeavor.

Question 20. There are still significant restrictions on how states can use Federal transportation funds to enhance the mobility of people and goods in their regions. Do you believe that more flexibility needs to be provided to the states in their use of Federal funds so that they may invest in intercity rail and transit options that reduce road congestion, energy-use and protect the environment?

Answer. While I understand that providing funds by program category enables Congress to target resources according to national needs and priorities, I believe it is important to provide states significant flexibility to transfer funds among programs in order to improve their ability to choose the best mix of solutions to meet their individual transportation needs. For example, programs like the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) offer broad eligibilities for funding highway and transit projects.

The National Surface Transportation Policy and Revenue Commission is currently examining future transportation program direction, as well as funding alternatives. If confirmed, I look forward to chairing the Commission and presenting programmatic recommendations to the Congress next year.

Question 21. How will you as DOT Secretary implement the language in SAFETEA-LU that requires state and metropolitan transportation plans to "accomplish" the planning objectives set out in the preamble of the planning section of the law, to support mobility and economic development while minimizing fuel use and emissions? This provision in law is designed to ensure state and metro areas focus on considering options to boost transportation system performance to cut congestion while protecting our nation's energy security, and reducing greenhouse gas emissions and health-threatening air pollution. There is concern that the proposed DOT planning rule slated to be finalized in a few months failed to even mention that requirement. Will you, as Secretary, ensure the final DOT planning rule includes clear criteria for state and metro areas to demonstrate their compliance with this statutory requirement?

Answer. As Administrator of the Federal Highway Administration, environmental stewardship and reducing congestion were priorities of the Federal Highway Administration (FHWA). I believe that these remain high priority goals of the FHWA as well as the Federal Transit Administration (FTA), and I will continue them as high priority goals, if I am confirmed as Secretary.

SAFETEA-LU changed the transportation planning and transportation conformity process to more closely align the transportation and air quality planning horizons for purposes of transportation conformity, and to better integrate the transportation planning and air quality planning processes.

If confirmed, I will work to ensure that, in air quality non-attainment and maintenance areas, transportation plans and improvement programs demonstrate they conform to the air quality goals of state implementation plans through the transportation conformity process. This integration of transportation planning and air quality planning processes will ensure that the continued reduction of motor vehicle emissions and the improvement of air quality, while reducing congestion.

Question 22. A growing number of cities—London, Oslo, Stockholm, Singapore, and others—have put congestion charges on existing roads to manage traffic and support expanded travel choices and better transportation, typically cutting congestion delay by a third, reducing pollution, and sharply boosting use of public transportation. On Sunday, voters in Stockholm, Sweden, affirmed their support to reinstate such a congestion charge on existing roads into and out of central Stockholm after a 6 month pilot project, again demonstrating the popular appeal of true traffic congestion relief strategies. The USDOT Congestion Initiative, advanced by Secretary Mineta in May 2006, has been promoting consideration of this promising performance-oriented transportation management strategy by major U.S. cities. What will you, as DOT Secretary, do to help encourage such initiatives that might deliver real relief from traffic problems?

Answer. If confirmed, I will continue to carry this important initiative forward, as I share Secretary Mineta's concern about congestion on our highways, railways, airports and seaports—and the staggering costs this congestion imposes on families and businesses.

I believe there is much that the United States and U.S. cities can learn from Stockholm's congestion pricing demonstration, and we will continue to watch the results closely as Stockholm implements a more permanent pricing system. It's my understanding that several American cities are very interested in what Stockholm accomplished during the demonstration and the positive effects that pricing have had on congestion and the environment.

The Department's National Strategy to Reduce Congestion on America's Transportation Network offers incentives to a state, city, county or locality that can commit to a broad congestion pricing or variable toll demonstration similar to Stockholm. If confirmed, I will continue to reach out to Congress, our state DOTs, Governors, and municipal leaders to educate them on congestion reducing strategies.

Question 23. You are a big supporter of public-private partnerships (PPPs) in transportation. These have been used in the U.S. to date largely to extract cash up front from existing publicly-owned toll roads and to attract private investment to build new roads faster than they could be delivered by the public sector. Some have raised concerns that this may not produce cost-effective congestion relief, but could leave behind an increasingly dysfunctional network of existing roads. Pat DeCorla-Souza, a senior staff person at the Federal Highway Administration and Michael Replogle at Environmental Defense have recently suggested that public agencies use PPPs to contract directly for performance, inviting concessionaires first to better operate and manage existing corridors, rewarding them based on the number of people and amount of freight moved without congestion while meeting environmental performance standards. Will you, as DOT Secretary, help encourage wider consideration and use of these innovative approaches and a "fix-it-first" approach to PPPs?

Answer. I am a supporter of public-private partnerships (PPPs). Although the financial aspects of PPPs are most commonly discussed, we use the term "public-private partnership" more broadly to refer to contractual agreements between a public agency and private sector entity that allow for greater private sector participation in the delivery of transportation projects. There are opportunities for the private sector in the operation, maintenance, and management of a highway facility or corridor, beyond existing toll road concessions and building new roads faster and cheaper. In these cases, it is possible to structure contracts so that contractors are paid on a fixed fee basis or on an incentive basis, where they receive premiums for meeting specified service levels or performance targets. If confirmed as Secretary, I will encourage wider consideration and more innovative approaches to partnering with the private sector in appropriate circumstances.

Question 24. FHWA has apparently determined that Tribal Governments are not eligible to apply for the Safe Routes to School program, stating that "Since Congress did not specifically list federally-recognized Indian tribal governments as eligible grant recipients, state DOTs may and should find another means for reaching this important constituency." Some believe that FHWA has the latitude to make grants directly to Tribal Governments, but has chosen instead to interpret the statute very narrowly. Do you agree with this interpretation?

Answer. Coming from a state with a large tribal population, I am sensitive to the needs of this important constituency; however, I am not familiar with the FHWA's

interpretation of this provision of SAFETEA-LU. I understand that the Senate Environment and Public Works Committee recently included in its technical corrections bill a provision for making Indian tribal governments eligible grants recipients under the Safe Routes to School program, and if confirmed I would support that provision.

Question 25. The DOT has found, through its Highway Cost Allocation Study, that certain trucks operating on our interstate system do not cover the costs related to the damage they cause to highway infrastructure through the various excise taxes paid by motor carriers, thus resulting in a subsidy which skews the freight transportation marketplace. As Secretary, what will your position be on subsidies such as these that advantage one transportation mode over another?

Answer. I believe that user fees should recover costs imposed by the user on the transportation system. This principle should be applied to all users and all modes of transportation to ensure the efficient allocation of infrastructure investment. On the highway side, the Department is studying alternatives to the Federal fuel tax that better reflect a vehicle's actual use of highway resources, rather than the amount of fuel it consumes. These alternatives include mileage-based fees that can be varied to reflect the number of axles and weight of the vehicle, the functional class where the vehicle is operated and the volume-to-capacity operating condition of the roadway. I understand that the Department is also currently conducting an update of the 1997 cost study, to provide a more recent context for analysis of user fees relative to cost responsibility.

Transit

Question 26. I understand that you have been a strong proponent of private investment in public infrastructure. Clearly, there are some public infrastructure projects, such as public transit systems, that have a limited ability to attract private investment. Will you, as Secretary, be requiring transit applicants for Federal funds to first seek private investment in their project before approving a grant for Federal funds?

Answer. No. With public funding—whether it be Federal or state or local—becoming increasingly scarce, I believe we must begin to consider innovative financing ideas, for all modes of transportation, including transit. However, I have no plans to require transit applicants to seek initial private investment.

Maritime

Question 27. The Nation's port facilities are facing record growth. The DOT has apparently prepared a "SEA-21" port infrastructure proposal, but this has been held up by the Office of Management and Budget (OMB) and has never been publicly released. What are your views on the status of the Nation's existing port infrastructure and its capacity to meet the growing throughput demand as international commerce continues to expand? Will you push to have the "SEA-21" proposal released?

Answer. Like most of our nation's infrastructure, our ports are increasingly congested and are at or nearing capacity. Congestion is one of the single largest threats to our economic prosperity and way of life. The Department is working to address this serious problem through its National Strategy to Reduce Congestion on America's Transportation Network announced in May 2006 by Secretary Mineta. Through this initiative, the Department is using its resources and expertise to help its partners at the state and local levels use their existing transportation networks better and to add capacity where it makes the most sense, and develop better policy choices to reduce congestion. As Federal Highway Administrator, I was not involved in the development of the SEA-21 proposal and was not aware of where it was (or is) in the process. However, if confirmed, I will work closely with Administrator Connaughton and Congress to determine how best to address our nation's maritime needs, including moving forward with a legislative proposal.

Question 28. Do you fully support the Jones Act and the related cabotage laws like the Passenger Vessel Services Act? If so, how do you intend to ensure the protection and expansion of the U.S. maritime fleet both domestically and internationally?

Answer. I fully support the Jones Act and related cabotage laws. If confirmed, I will work closely with Administrator Connaughton to ensure that both the spirit and the letter of such laws are adhered to in order to ensure the continued vitality of the U.S.-flagged fleet.

Aviation

Question 29. Do you agree that the Secretary of Transportation is required to consider several objectives as being in the public interest, including: keeping available a variety of adequate, economic, efficient, and low-priced air services; encouraging,

developing, and maintaining an air transportation system relying on actual and potential competition, and; encouraging entry into air transportation markets by new and existing air carriers and the continued strengthening of small air carriers to ensure a more effective and competitive airline industry?

Answer. Yes, I agree with these objectives.

Question 30. While it appears the DOT has opted not to move forward on the issue of foreign control of U.S. air carriers prior to this year's elections, there have been indications that the Administration intends to finalize a deal on this matter before the end of the year. Do you support a year-end timeline for permitting foreign ownership despite the clear objections raised by the Congress through overwhelming votes in both Houses over the past months?

Answer. While I was not involved in the development of the Department's proposed rulemaking, I can assure you that, if confirmed, I would carefully review the comments and that I would be fully committed to discussing these matters with Congress before the Department makes any decision.

Question 31. While it is the Department's job to interpret and enforce the laws, it is the Congress' prerogative to enact laws. Do you prefer the current approach of using a rulemaking to alter the meaning of "actual control" of U.S. air carriers to move foreign ownership forward, or would you rather see a legislative fix in which the Congress determines an acceptable process for allowing increased foreign investment in domestic airlines?

Answer. I was not involved in the development of the Department's proposed rulemaking. I understand Congress' interest in this matter. If confirmed, I can assure you that I would carefully review the comments filed by interested parties and that I would be fully committed to discussing these matters with Congress before the Department makes any decision.

Highway Safety

Question 32. The National Highway Traffic Safety Administration (NHTSA) has set a goal of achieving a 1.0 fatality rate per 100 million vehicle miles traveled (MVMT) by 2008. However, recent decreases in the fatality rate have only been incremental. In 2005, the fatality rate actually increased for the first time in twenty years. At the same time, the actual number of highway and traffic fatalities has increased almost every year since 1992, reaching a total of 43,443 in 2005, the highest number of fatalities in over a decade. How does the Department intend to achieve a fatality rate of 1.0 per 100 million vehicle miles traveled by 2008? What specific steps are you going to take as Secretary to ensure that future National Highway Traffic Safety Administration (NHTSA) undertakings are directed at reducing the fatality rate?

Answer. Like you, I am troubled by the increase in the fatality rate in 2005. As FHWA Administrator, I made highway safety my highest priority and worked closely with the Administrators of the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) to develop strategies for reducing fatalities and injuries. Should I be confirmed, I plan to continue placing a heavy emphasis on safety initiatives and programs. For example, it is important to incentivize states to implement key highway safety programs such as primary and secondary seat belt laws enforcement of drunk driving laws, and motorcycle helmet use.

Question 33. The CAFE Program was funded at approximately \$20 million annually at the program's inception through the 1980s. In 2006, the CAFE Program was funded at \$1.6 million, and the CAFE Program staff is entirely reliant on data provided by the auto industry and has no ability to do independent assessments. The fines collected from CAFE are currently deposited in the Treasury. Would you be willing to consider redirecting CAFE fine receipts back to the National Highway Traffic Safety Administration (NHTSA) for the purpose of supporting current and future CAFE rulemakings?

Answer. I have not been made aware of any funding problems faced by NHTSA's CAFE program. However, if confirmed, I will ask NHTSA to provide a status update on that specific program, and will keep your proposal in mind if funding is determined to be inadequate.

The Environment

Question 34. Based on current greenhouse gas (GHG) emission reporting guidelines, the transportation sector directly accounted for approximately one-third of total U.S. GHG emissions. Transportation is the fastest-growing source of U.S. GHGs and the largest end-use source of CO₂, which is the most prevalent greenhouse gas. Estimates of GHG emissions do not include additional "lifecycle" emissions related to transportation, such as the extraction and refining of fuel and the

manufacture of vehicles, which are also a significant source of domestic and international GHG emissions. As Secretary, what would you have the Department of Transportation do to promote GHG emissions reductions in the transportation sector, including through technology and fuel efficiency requirements?

Answer. The U.S. Department of Transportation, with its agency and state partners, works to ensure that policies balance environmental goals with our transportation goals of safety, mobility, and efficiency. All programs that reduce fuel consumption also reduce carbon dioxide emissions. Among many important DOT programs, I am aware of three new initiatives that are of particular importance:

- The National Strategy to Reduce Congestion on America's Transportation Network, released by the Department in May. Effective policies—including technology, public/private partnerships, and market-based approaches—have the potential to reduce fuel usage, and hence emissions in aviation, freight, and passenger travel.
- New legal authority to reform passenger car Corporate Average Fuel Economy (CAFE), as requested by Secretary Mineta in April. With the support of Congress, it will be possible to develop a new passenger car CAFE rule that increases fuel economy and provides net benefits to the economy.
- The Federal Aviation Administration has been working with airlines to improve fuel efficiency through improvements in operations that save fuel and otherwise reduce environmental effects.

Question 35. Does the Administration have any plans to reduce the contribution of GHG emissions by the transportation sector?

Answer. The Administration's long-term strategy for reducing greenhouse gas emissions in the transportation sector is to hasten the transition to a hydrogen economy, through the President's Hydrogen Initiative. DOT's work focuses on helping develop safety codes and standards for hydrogen vehicles and infrastructure, and demonstration programs for hydrogen fuel cell buses.

Question 36. At a time when it is clear that we cannot count on an uninterrupted, cheap supply of energy, isn't it in the Nation's interest to ensure we harness technology and incentives to use the least amount of fuel possible to transport people and goods? This would be a "no regrets" measure, because it makes both economic and environmental sense. If confirmed, would you work with us to devise such a tangible win-win strategy for America?

Answer. The President and I share your concerns about the current energy situation, and if confirmed, I look forward to working with the Congress to implement cost-effective strategies to improve the efficiency of the transportation sector.

The key elements on the Department of Transportation's energy agenda are congestion, CAFE reform, and modernizing the air traffic system. These programs make both economic and environmental sense. Collectively, they incorporate technology, incentives, and market-based measures. Each program requires the support of Congress to achieve its potential. I look forward to working with you on them.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. CONRAD BURNS TO
HON. MARY E. PETERS

Question 1. Ms. Peters, if you are confirmed as Transportation Secretary, you will face a substantial challenge in terms of capacity constraints on our transportation network. In the next 20 years, the freight shipments are expected to dramatically increase, placing serious demands on roads, aviation, rail, and waterways. My particular concern, as you know, relates to the role that freight rail plays in our nation's infrastructure. I think we have a problem in our rail industry that can not be ignored any longer. There are capacity constraints, but those limitations are a symptom of the much larger problem of a lack of meaningful competition for rates and service in many parts of the Nation.

Ms. Peters, do you see competition issues as a serious problem for the freight rail industry, and what will you do, if confirmed, to help address those problems?

Answer. I recognize that our rail infrastructure will need added capacity to meet the freight demands for the next several decades. If confirmed, I look forward to working with and encouraging both large and small railroads to invest additional capital in new construction and technology that will expand our rail network and in turn allow for robust competition.

Question 2. Sec. 10101 of Title 49 of the U.S. Code sets forth the rail transportation policy for this Nation. It states, in part, that "it is the policy of the U.S. Government to allow, to the maximum extent possible, competition and the demand for

services to establish reasonable rates for transportation by rail” and “to maintain reasonable rates where there is an absence of effective competition.” This is the policy of the U.S. Government—not just the Surface Transportation Board—so as Transportation Secretary, you share this obligation. Do you believe we have achieved these goals, and if not, what will do you if confirmed to help implement this vision?

Answer. I recognize the Surface Transportation Board (STB), an independent regulatory agency, continues to struggle with this issue. Although I am not familiar with the specific cases before the STB, I am aware of the need to bring together small and large railroads, shippers, states, local communities, and other interested parties to mitigate some of these rate concerns. Where competition is not easily achievable, railroads and shippers need to have the ability to resolve their differences in a fair and unbiased manner. Additionally, if confirmed, I promise to reach out to the STB and have regular dialogue with its appointed board members on these issues.

Question 3. While we are on the subject of rail, let’s talk a little about Amtrak. We’ve had quite a battle over the last couple of years on Amtrak, especially in terms of the budget that the Administration sends up to us. What are your thoughts on Amtrak? Will you be an advocate for passenger rail and work with Congress to implement reasonable reforms that ensure Federal subsidies are well spent?

Answer. I support a national rail passenger system and believe it is an important component of our nation’s transportation network. If confirmed, I look forward to working with you and your colleagues to pass a long-term reauthorization to end the annual funding crisis that Amtrak has operated under for too many years now.

Question 4. What are your thoughts on the Essential Air Service program, and what role do you believe rural air service plays in the national aviation system?

Answer. As a former director of transportation for a state with large rural areas, I fully appreciate the impact that the EAS program has had on ensuring rural America access to our nation’s air transportation system. I also believe that it is time to take a fresh look at the program to assure that it is accomplishing its objectives as effectively as possible. The laws governing our administration of the EAS program have not changed significantly since its inception 28 years ago, notwithstanding the dramatic changes that have taken place in the airline industry. If confirmed, I would like to work with Congress to address these issues.

Question 5. As the months progress, this committee will be turning its attention to the FAA Reauthorization bill. Do you have any thoughts on how we can effectively modernize the aviation system through that process?

Answer. If confirmed, one of my top priorities will be to reach out to Congress and the aviation community for input as the Administration develops a reauthorization proposal. Air traffic modernization is absolutely critical to ensure our aviation system remains the envy of the world. Consequently, a key element of the coming reauthorization will be to implement funding structures and mechanisms that will allow us to build air transportation systems for the 21st century.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO
HON. MARY E. PETERS

Question 1. As a former director of a state transportation department, to what extent should states have the flexibility to utilize programmatic funds for transportation improvements? Do you advocate a relaxation of programmatic restrictions on Federal Highway programs?

Answer. While I understand that providing funds by program category enables Congress to target resources according to national needs and priorities, I believe it is important to provide states significant flexibility to transfer funds among programs in order to improve their ability to choose the best mix of solutions to meet their individual transportation needs. For example, programs like the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) offer broad eligibilities for funding highway and transit projects.

The National Surface Transportation Policy and Revenue Commission is currently examining future transportation program direction, as well as funding alternatives. If confirmed, I look forward to chairing the Commission and presenting programmatic recommendations to the Congress next year.

Question 2. Would you continue your predecessor’s support of a waiver for Maine to utilize Federal highway funds for continued operation and successes of the

Downeaster? Is the success of Maine's passenger rail system something that would serve as a potential model for other passenger rail routes nationwide?

Answer. Yes. As a former state transportation director, I strongly support giving states appropriate flexibility to use Federal dollars under certain circumstances. I continued my support of this policy as Federal Highway Administrator. If confirmed, I will support the waiver for Maine to utilize Federal highway funds for the *Downeaster*.

The success of the *Downeaster* demonstrates that passenger rail can be a successful component of a state's overall transportation network if the state is directly invested in developing and providing ongoing support for its passenger rail routes.

Question 3. In your previous capacity as Federal Highway Administrator, I know you were a strong supporter of innovative financing, including public-private partnerships and the use of State Infrastructure Banks. Looking in the near-term, it is my understanding that a potential redistribution of leftover highway funds may occur this October. Do you foresee such a redistribution of funds occurring before the end of the Fiscal Year?

Answer. It is my understanding that the annual redistribution occurred earlier this month, and a total of \$2.1 billion of obligation authority was available for redistribution to the states for their highway programs.

Question 4. For example, one successful project you may be aware of is the Waldo-Hancock Bridge, which has been partially paid for by bonding. Is paying off something like a GARVEE Bond considered an eligible use for these funds?

Answer. While I am not knowledgeable about the specifics of the Waldo-Hancock Bridge, Grant Anticipation Revenue Vehicles, or "GARVEE" bonds are an eligible use of Federal-aid funds.

Question 5. Can you assure my colleagues and I that, as Secretary of Transportation, you would ensure the Commission is allowed to proceed independently and is unbound by any ideological constraints in the formulation of its recommendations for Congress?

Answer. Yes. Congress created the Section 1909 Commission in SAFETEA-LU to provide recommendations on transportation policy and financing that would inform the next surface transportation reauthorization process. Prior to my nomination as Secretary, I was honored to serve on that Commission as Vice-Chair. In that capacity, I worked with then-Chairman Mineta and my fellow Commissioners to ensure that all viable options and solutions for improving our transportation system would be considered in an independent manner. If confirmed, I will continue that approach as Commission Chairman.

Question 6. As it becomes more and more apparent that a new approach is needed for providing a sustainable, realistic method for Federal transportation funding, do you see an end of the Federal gasoline tax as the sole provider of these funds?

Answer. The Federal fuel tax will continue to play a role in funding national infrastructure, but it has already ceased to be the sole provider of highway funding. I believe that the role of the fuel tax will continue to diminish as vehicle fuel efficiency increases and new transportation technologies are introduced. Over the last 10 years, and with the blessing of the Federal Government, states have increasingly turned to private sector partners in the financing process, especially for new infrastructure. They are also looking for ways to implement new funding mechanisms that track more closely to the costs that highway users impose on the highway system.

Question 7. What sort of new funding regime to you foresee, relative to your discussions on the Commission? In the short term, is it a combination of means; gasoline taxes, bonding, public-private partnerships, and a smattering of other methods? How do you envision the Department accounting for vehicles like hybrid-use or electric?

Answer. In the short term, the highway fuel tax will remain the mainstay of Federal highway funding. But already, for new highway infrastructure, private sector finance is playing a prominent role in highway infrastructure funding. The new Private Activity Bond provision in SAFETEA-LU is now being implemented, and will lead to an increase in tax-exempt bonding as a source of highway finance. And as you note, the proliferation of higher fuel efficiency vehicles will result in decreasing fuel tax revenues. The Surface Transportation Policy Revenue Study Commission is examining these very issues and at this point, it is too early to predict what new funding structures the Commission will recommend.

Question 8. Do you have any concerns that the changes in the collection of aviation fuel taxes, which went into effect as part of the 2005 Highway Bill, could have

a significant negative impact on the Aviation Trust Fund, and that the Trust Fund could lose deserved revenues to the Highway Trust Fund?

Answer. It is my understanding that we do not yet have sufficient data to estimate the extent of the impact on Aviation Trust Fund revenues from this issue. Given the low balance in the Aviation Trust Fund, any revenue loss would certainly be a concern. I am also aware that some in the industry have expressed concern about the administrative burden these changes have caused for the aviation industry. If confirmed, I will monitor this issue and work with Congress to make changes if necessary.

Question 9. What are the financial impacts of the hiring, training, and assimilating these controllers into our national Air Traffic operations? How does the financial outlook of the Aviation Trust Fund affect the ability of the FAA to hire and retain these vital employees who are so crucial to the unparalleled safety of our aviation system? How quickly can these new controllers become a part of the Air Traffic management system?

Answer. It is my understanding that the FAA has recently released an updated Controller Workforce Plan that addresses these issues. If confirmed, I will work closely with the FAA Administrator and the Department's Inspector General to ensure that the Plan adequately addresses all of these factors and that the FAA is hiring and training controllers in accordance with the Plan.

Question 10. With the potential to lose up to 33 percent of our current air traffic controller workforce, and the FAA rushing to get new systems and technology in place to fill that gap, a worst-case scenario where we are short on both human and technological resources are deficient to maintain the safety of our skies. What steps would you propose taking to develop a back-up plan if this scenario were to arise?

Answer. I believe it is critical to develop and implement a plan of action to avoid a worst-case scenario. It is my understanding that the Controller Workforce Plan is designed to ensure that we do not face such a gap as you describe. As noted above, if confirmed, it will be one of my top priorities to review the Plan with the FAA Administrator and the IG.

Question 11. Among the cost-savings measures that have been proposed to account for the fact that many of our next-generation technologies for air traffic control are over-budget and behind schedule is the closure of overnight operations at some Air Traffic Control Towers, as well as the consolidation of certain TRACONS across the country. With such a vast increase in operations and the number of planes of various capabilities forecasted for the next decade, is it really wise to begin to close down facilities when the activity in our skies is only increasing?

Answer. Following our meeting, I discussed this issue with the FAA Administrator, and she has assured me that the FAA has no plans to implement the overnight closures the agency had been considering at this time.

Question 12. Are you aware of any concerns on behalf of the aviation community that due to the growing number of planes, increased congestion, and an inability to increase capacity, other positions may come up short in the future, high-paying positions such as pilots that could conceivably affect the airlines' bottom line?

Answer. Concern with the health of the industry is one of DOT's core missions. If confirmed, I will make it one of my first priorities to visit with the aviation community and seek its feedback on the challenges facing our air traffic management systems in the long-term.

Question 13. With the potential crisis in our aviation workforce, I found it somewhat stunning that some Towers are being considered for closure by the FAA, particularly some that possess both commercial and military utility. It is especially galling in light of the fact that the cost-savings are not only considered negligible, but such savings projections are completely inconsistent, ranging from \$2 to \$5 million. When is the final list of Towers that FAA is suggesting for closure going to be released? Do you anticipate that this is the first of several rounds of such closures to be conducted?

Answer. As mentioned above, I discussed this issue with the FAA Administrator, and she has assured me that the FAA has no plans to implement the overnight closures the agency had been considering at this time.

Question 14. In the event that the FAA does close several of the towers on the preliminary list, does it retain the right to reopen them at a later time? If many of the projections offered by the FAA come to pass, having as many functional Towers and controllers able to handle the capacity issues would seem a prudent measure, given the potential dangers of overcrowding in our skies.

Answer. As mentioned above, I discussed this issue with the FAA Administrator, and she has assured me that the FAA has no plans to implement the overnight closures the agency had been considering at this time.

Question 15. Administrator Peters, have you had an opportunity to examine the various reform proposals being issued for Amtrak? What are your thoughts on reforming the passenger rail system?

Answer. I am aware that there are several different reform proposals that have been drafted and discussed, but I have not had a chance to go through them in detail. I believe there is a role for a national rail passenger system. It should be funded in a manner that allows it to deliver maximum benefits to consumers while recognizing the need to invest the taxpayers' money wisely. I also recognize the need to create a national rail passenger system that incorporates significant reforms from its current state. If confirmed, I look forward to working with the Senate Commerce Committee on a comprehensive bill that includes significant reforms.

Question 16. In the future, as Federal funding for Amtrak will hopefully be curtailed as its profitability increases, do you support some sort of partnership such as an 80–20 capital funding program to help states pay for infrastructure investment?

Answer. I believe that the Amtrak reform process must keep all options on the table.

Question 17. Have you considered any ideas on using alternative or non-traditional sources of funding to supplement passenger rail? Has there been any examination of developing a financing regime outside the realm of receiving a check from the Federal Government every year?

Answer. Funding for Amtrak is one area where significant reforms need to be made. I believe Amtrak must operate on a sustainable business model. I also believe that states should contribute to passenger rail service, as Maine already does. If confirmed, I look forward to working with you and your colleagues to pass a long-term reauthorization to end the annual funding crisis that Amtrak has operated under for too many years now.

Question 18. Do you feel the Department has a role in promoting the increased use, and possible expansion of, the existing Amtrak system in light of the dramatic increase in the use of rail and transit systems given the roller coaster ride that has become our domestic gasoline prices.

Answer. DOT must continue to encourage the use of public transportation systems, including Amtrak. Additionally, DOT must assist states and communities to maximize transit capacity and reliability.

Question 19. It has come to my attention that the bulk of existing Amtrak passenger cars and their engines—excluding the Acela high-speed rail, which had its own problems with the braking system just last spring—are practically worn out. Will you seek funding for upgrades or even replacements if you are confirmed, before the equipment shortage becomes critical?

Answer. Amtrak must look at its entire operation and prioritize its capital needs to ensure a future system that delivers maximum benefits to consumers.

Question 20. Just this past Monday, the University of Michigan Transportation Research Institute came out with a report stating that the Ford Motor Co., General Motors Corp. and DaimlerChrysler AG could increase their profits by \$800 million to \$2 billion a year by using aggressive strategies for improving fuel efficiency regardless of what happens to gas prices or what their competitors do. Needless to say they could use an infusion like this.

Even taking into account gasoline prices and actions of their competitors, the analysis found the optimal strategy for each automaker was to take a proactive approach rather than business as usual, that this would be financially safer, regardless of what their competitors do.

The report also said that if U.S. automakers do not take the aggressive approach on fuel economy, they could stand to lose as much \$3.6 billion in profits and that they have more to gain from aggressively pursuing improvements in fuel economy than their Japanese counterparts in large part because they face more risk from high gasoline prices and have more room for improvement. Under this proactive approach, overall fuel economy would improve 7.4 percent over model year 2005 levels, which would mean a dramatic savings of around 8 billion gallons of gasoline per year.

I am sure you are well aware that Senator Feinstein and I have been attempting to close the SUV loophole over the past 5 years and this year to increase CAFE standards by 10 miles as averaged over a manufacturer's entire fleet over the next 10 years—or 10 in 10. We already have the technology to do this and we sincerely do not want Detroit to be the industry time forgot.

Do you think that, if Congress had increased fuel economy standards over the last 5 years for passenger cars as we have the authority to do and NHTSA had appreciably raised SUV standards as it has the authority to do, the U.S. auto industry would be more competitive and we would have kept more high paying U.S. jobs? The University of Michigan Transportation Research Institute report released last week certainly reflects this.

Answer. As you know, the Department is seeking the legal authority to reform CAFE for passenger cars. If confirmed, I look forward to working closely with you and this committee to advance this legislation. It is the position of this Administration that reforming CAFE for passenger cars could be done in a way that does not diminish the competitiveness of U.S. automakers.

Question 21. It sounds to me from the Michigan report that both Congress and the Administration have done as much disservice to the U.S. automakers as the automakers have done to themselves by not calling for an increase in CAFE standards, especially in light of the 2001 National Academies CAFE report that gave us a clear signal that increasing fuel economy standards was feasible and economically viable if automakers were given enough lead time to design and build more efficient vehicles. The big loser here—and the most distressing to me—is the loss of high paying U.S. manufacturing jobs. If Congress were to abrogate its authority to you for increasing fuel economy standards for passenger cars, what kind of an increase can we expect NHTSA to make under your leadership, especially given the very small increase of less than two miles per gallon NHTSA came out with for SUVs?

Answer. I agree with you that achieving higher fuel economy standards is important, but I also believe that such increases must not be made at the expense of passenger safety or American jobs. If given the authority by Congress to reform CAFE, I will ensure that NHTSA raises fuel economy standards for passenger cars to their maximum feasible level, while taking into account safety, data, technology, and American jobs.

Question 22. As part of the 2005 Highway Bill, a provision encouraged states to give diesel retrofitting of transit vehicles priority in making decisions when spending their programmatic highway funds. This provision did not pre-empt the states authority to make final decisions on how to spend those funds, but encouraged the states to focus on improving their emissions by using this diesel technology. It is my understanding that the DOT will be issuing guidelines very soon. This would be a tremendous help in reducing emissions for public transit, such as a fleet of city buses. Can you tell us how DOT plans to use the guidance to ensure that the legislative intent as it affects diesel retrofits will be carried out?

Answer. Since my nomination, I have not had the opportunity to be briefed on the status or content of the proposed retrofitting guidelines. However, if I am confirmed, I will quickly get educated on this issue and will ensure that you receive a briefing before the guidelines are released.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN F. KERRY TO
HON. MARY E. PETERS

Highways

Question 1. A number of states have taken advantage of Federal regulations which allow states to lease operational control over federally funded toll roads to private corporations, including foreign corporations. Indiana, for instance, recently leased the Indian Toll Road to an Australian-Spanish conglomerate, Macquarie-Cintra, for \$3.8 billion over 75 years. While this provided an immediate influx of funding for the state, it will ultimately result much higher profits for the operator and has proven to be a divisive issue among Indiana residents concerned about highway management and toll increases.

You have been a strong advocate of free-market solutions to public infrastructure problems. Do you support allowing states to lease federally financed toll roads to private corporations, including foreign corporations?

Answer. States and other non-Federal authorities own and operate the vast majority of roads in America. Many of these roads, including the older toll road systems, were constructed prior to the creation of the interstate highway system with little or no Federal financial support. Where the facilities were built using Federal funds, I believe it is important that the public interest is protected in any potential transaction.

In my time at FHWA, I supported giving states flexibility to explore new partnerships with the private sector. With the enactment of SAFETEA-LU, Congress also declared its support for more state flexibility. The question that must always be

asked is: does the contractual arrangement improve performance of the facility, enhance customer services and protect the interests of the taxpayer. If the public interest and security can be protected in connection with these types of transactions, then we should continue to support them.

Question 1a. If so, do you believe this is the best way to solve highway funding deficiencies?

Answer. There are multiple approaches that we must take to solve our highway infrastructure problems. Those problems extend beyond simply the need for more funding. We must also make significant improvements to how we manage our existing systems to reduce congestion and improve system safety and reliability. The private sector is willing and able to play a large partnership role with the public sector to help the country address these problems. But private sector participation will not necessarily make sense everywhere. The Federal Government can supply resources, expertise and leadership to help the diverse regions of the country tailor solutions to fit their own specific needs.

Question 2. Would you support allowing states to lease management and maintenance of any federally financed state road system to a private corporation?

Answer. I support giving states the tools and flexibility to optimize the performance of their highway system. The Federal Government has historically played and continues to play a major investment role in the U.S. highway system. In certain circumstances, private entities, working in conjunction with state and local agencies, can improve the operational performance and provide high levels of customer service on highway facilities. This, in turn, can increase the returns on Federal investments. Congestion, undercapitalization and the misallocation of investment resources reduces the effectiveness of those investments. If confirmed, I will work tirelessly to assure that Federal investments produce positive results for the American taxpayer.

Question 3. How is the public interest served by allowing private corporations to control publicly funded infrastructure?

Answer. Growing congestion, increasing safety risks and declining reliability are all threats to the public interest, the quality of life of all Americans and the U.S. economy. If private entities are capable of helping state and local governments reduce these trends, they will help governments advance the public interest. The public entity retains ownership of the infrastructure in these agreements, and exercises control of the infrastructure through specific requirements in the contractual documents. The degree to which governments call on the private sector for such assistance will vary across the country.

Question 4. Do you support extending private leasing authority to states for other modes of transportation?

Answer. Most other modes of transportation have long had extensive private sector participation. Whether or not a leasing or concession model can be effective depends on the mode of transportation. The U.S. freight railroad system, widely considered to be the most productive in the world, is privately owned, financed and managed. Seaport terminals have been operating under a public/private model, including long-term leases to private terminal operators, for many, many years. To date, there has been less interest utilizing private capital (except of course through the access of private lenders in the tax-exempt marketplace) in public transportation and aviation infrastructure. The question that must always be asked is: does the contractual arrangement improve performance of the facility, enhance customer services and protect the interests of the taxpayer. The answer will likely vary from case to case.

Aviation

Question 5. As you know, the Federal Aviation Administration (FAA) stands to lose more than thirty percent of its air traffic controllers to retirement and attrition over the next 3 years. It takes roughly a year to train a new controller, and it is unclear that the FAA has made progress hiring enough new controllers to avoid a staffing crisis. What is your plan to hire and train enough controllers to make up this shortfall and keep up with projected increases in air traffic?

Answer. It is my understanding that the FAA has recently released an updated Controller Workforce Plan. If confirmed, I will work closely with the FAA Administrator and the Department's Inspector General to ensure that the Plan is adequate to meet projected retirements and that the FAA is hiring and training controllers in accordance with the Plan.

Question 6. In 2003, Congress passed legislation preventing the FAA from privatizing the Air Traffic Control System (ATC) for 1 year. When the prohibition was lifted in 2004, the FAA leased control of Flight Service Stations to Lockheed

Martin and required Flight Service Specialists to compete for their jobs. Do you support the FAA's decision to privatize FSS's, and will you support privatizing the entire ATC as Secretary of Transportation?

Answer. Although I am not familiar with the specifics of the Flight Service Station contract, my understanding is that all affected FAA employees were either offered jobs with the contractor, Lockheed Martin, or were hired into other areas of the FAA. In 2002, Secretary Mineta determined that air traffic control services at en route and large terminal facilities are a core capability of the FAA and therefore not subject to outsourcing.

Question 7. Are you aware of any A-76 studies being conducted by the Office of Management and Budget in anticipation of privatizing the other components of the ATC?

Answer. I am not.

Question 8. Do you believe that privatizing one or all components of the ATC will increase safety and reduce accidents?

Answer. Any proposal to privatize a component of the system would have to be evaluated on its individual merits before making a final judgment.

Question 9. The FAA has also decided to consolidate its Air Traffic Organization (ATO), ostensibly to save money. As you know, the ATO provides maintenance and logistical support to FAA and local airport personnel. The FAA's plan will require the closure of several regional ATO offices, including the Burlington, Massachusetts office. Instead, the ATO's New England operations will be conducted from Atlanta. Burlington office employees who do not want to transfer to Atlanta can either quit or take a reduced pension.

Do you believe it is feasible to conduct air traffic support for New England from Atlanta, and do you believe that the FAA is capable of providing the same quality of service from Atlanta that it does from Burlington?

Answer. It is my understanding that the FAA will continue to staff the Burlington office while consolidating administrative functions, such as budgeting, finance, personnel support, and procurement support to Atlanta. The FAA does not believe consolidating administrative functions will affect the maintenance and logistical support that is provided to the New England airports or affect the control of air traffic.

Question 10. Are you concerned that closing the Burlington office could compromise safety at Logan and other regional airports?

Answer. I do not believe that consolidating administrative and support staff functions will affect the safety of the air traffic control system or compromise the safety at Boston Logan or other local airports. It is also my understanding that major operating facilities, such as those in Boston, will continue to have administrative staff in place to support the local facilities and local airports.

Question 11. If Congress allows the FAA to finish consolidating the ATO, will you commit to helping employees at the Burlington office who do not or cannot move to Atlanta find comparable jobs at other FAA facilities in Massachusetts?

Answer. To the extent that comparable FAA jobs exist in Massachusetts, I will commit to helping employees at the Burlington office find those jobs. Additionally, if confirmed, I will direct the FAA to work with the Department's other operating administrations to identify potential openings within the Department's other Massachusetts offices.

LORAN-C

Question 12. As you know, LORAN-C is an international multi-modal navigation and timing system used by commercial and recreational mariners, general aviation pilots, the telecommunications industry, the military, and other government agencies as a back-up to the Global Positioning System (GPS). Earlier this year the Coast Guard asked Congress to shut-down LORAN despite having failed to coordinate its request with the Department of Transportation and other Federal agencies that have an interest in the system or solicit public comments.

I am very concerned by the Coast Guard's effort to shut down a valuable civilian and national security asset and have worked with Chairman Stevens and others to prevent it.

Do you support maintaining LORAN as a back-up to GPS? If so, will you commit to working with the Department of Homeland Security to develop a national LORAN policy?

Answer. It is my understanding that the Department, in coordination with the Department of Homeland Security (DHS), is required to make a decision regarding the future of the LORAN system by the end of 2006. If I am confirmed, I assure you that any decision regarding the future of LORAN will be consistent with existing Federal policies to ensure sufficient back-up in the event of a disruption of GPS.

Furthermore, if the decision is to maintain LORAN as part of the Nation's infrastructure, DOT will work closely with DHS to develop a national policy on LORAN.

Amtrak

Question 13. In 2003, the Bush Administration introduced an Amtrak plan that called for separating the Northeast Corridor from the Amtrak system and hiring a private operator to run it. Additionally, the President's budget requests for Amtrak have been well below what Amtrak says is necessary to provide adequate service and avoid bankruptcy, leaving Congress to increase funding to maintain the system. Do you support federally funded intercity passenger rail service?

Answer. I support a national rail passenger system. I believe the system must be operated on a sustainable business model and deliver maximum benefits to consumers while recognizing the need to invest the taxpayers' money wisely. I also believe that states should be involved in and contribute to passenger rail service, as Massachusetts does. If confirmed, I look forward to working with you and your colleagues to pass a long-term reauthorization to end the annual funding crisis that Amtrak has operated under for too many years now.

Question 14. Will you commit to maintaining the Northeast Corridor as a part of a federally funded Amtrak system?

Answer. I look forward to working with the Senate Commerce Committee to create a national rail passenger system that incorporates significant reforms from its current state. I believe that the Amtrak reform process must keep all options on the table.

Question 15. Will you oppose privatizing any part of the Amtrak system?

Answer. As I previously mentioned, I look forward to working with the Senate Commerce Committee to create a national rail passenger system that incorporates significant reforms from its current state. I believe that the Amtrak reform process must keep all options on the table.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BARBARA BOXER TO HON. MARY E. PETERS

Question 1. Last year, the Federal Government purchased 64,000 passenger vehicles. According to the U.S. Department of Energy, the average fuel economy of the new vehicles purchased for the fleet in 2005 was an abysmal 21.4 miles per gallon.

Today, hybrid cars on the market can achieve over 50 miles per gallon and SUVs that can obtain 36 miles per gallon. The government's average of 21.4 miles to the gallon is too low.

I have a bill, S. 2773, "Government Fleet Fuel Economy Act of 2006," that requires the Federal Government to purchase vehicles that are fuel-efficient to the greatest extent possible. Yes or no, will you support my bill? If no, why?

Answer. I have not had the opportunity to review your legislation in detail, but there is no question we can do more to improve the fuel economy of all vehicles, including government vehicles. However, should I be confirmed, please be assured that I will examine your proposal and work with you on this critical issue.

Question 2. In the last few months, there have been problems at Los Angeles International Airport and the TRACON.

ILS Failure: In 2 weeks, the Instrument Landing System (ILS) at LAX failed twice.

Power Outage: A power outage in Palmdale (which was not the fault of the FAA) occurred in July. This is where the TRACON, the regional radar system, is located. Back-up generators immediately started. However, the backup generator eventually failed and the radio and radar systems were not operational. Controllers lost radio communication with pilots for 15 minutes, and the radar was out for 2 hours.

Near Miss on Ground: In July, two small airliners on the ground came within moments of colliding with each other. It was pilot error when one pilot did not follow instructions and went into another plane's runway. An air traffic controller saw what happened and yelled into the radio to warn the other plane. However, part of the problem was a warning alarm that was turned off on a ground radar system after it had a false alert.

Accident: A cargo truck hit a Qantas Airways jet damaging the plane's engine but causing no injuries.

Are the problems in Southern California separate incidents or part of a larger mismanagement problem by FAA?

Answer. It is my understanding that all recent incidents at LAX were largely due to unrelated factors and have been addressed by the FAA. A service technician has been stationed at the airport 24 hours a day, 7 days a week until construction is

finished. If confirmed, I will work with the Administrator to ensure that LAX and other California airports receive the highest level of air traffic services.

Question 3. The Palm Springs Airport needs a new control tower because the old one is out of date and too short, so it is a potential safety problem. Last year, Rep. Bono obtained \$2.3 million. This year, Rep. Bono and I each obtained \$2 million in the TTHUD appropriations bill. Can FAA begin the process of building the new tower?

Answer. The Air Traffic Control Tower at Palm Springs Airport is on the FAA's list for terminal replacement projects, earmarked by Congress. I understand the importance of a replacement tower to you and to the people of Palm Springs and, if I am confirmed, I will work with you to ensure this project is completed as expeditiously as possible.

Question 4. Over 40 percent of the Nation's imported goods come through the ports of Los Angeles and Long Beach. After the goods arrive, they are shipped through Los Angeles County and the Inland Empire (the counties to the east of Los Angeles County), which causes increased air pollution and congestion both with trains and truck traffic on the highways.

This is a national issue because people across the Nation receive less expensive goods while people in California are negatively impacted with increased congestion and public safety concerns. What are potential solutions to solve this problem? And, how would you pay for the solutions?

Answer. The Department is working to ease congestion at our ports, not only to reduce the economic costs that such congestion imposes on the United States, but also to limit the environmental impacts that it can bring. My understanding is that the Department's Congestion Management Initiative specifically targets congestion at the Ports of Los Angeles and Long Beach. As a part of that Initiative, DOT has reached out to other Federal agencies, states, and stakeholders to define the parameters of this problem and to think creatively about public and private funding sources that could be tapped in order to tackle it.

Question 5. One issue of concern with the highway bill is the decreasing highway trust fund and how to fund the next bill. What are your suggestions for a dedicated source of funding to continue to pay for highway and transit construction?

Answer. While I believe that the gasoline tax will continue to be an important source of dedicated funding for our highways and transit systems, I also believe it is critical that we begin to diversify our funding resources using innovative financing mechanisms. For example, a 2005 special report from the Transportation Research Board recommends expanded use of tolling and road use metering among other long-term alternatives for transportation funding. I believe we should explore these and other innovative possibilities that will allow us to maintain a vibrant and effective transportation system. I look forward to working with Congress and surface transportation stakeholders in this endeavor.

Question 6. Amtrak is important for California, which has the second highest Amtrak ridership in the country and the "Pacific Surfliner"—the second most traveled corridor in the country. Amtrak offers three different services in California: (1) state-supported—the most important; (2) commuter operations; and (3) long-distance service. Do you support Amtrak? If yes, how do you suggest Amtrak is funded in the future?

Answer. I support a national rail passenger system. I believe the system must be operated on a sustainable business model and deliver maximum benefits to consumers while recognizing the need to invest the taxpayers' money wisely. I also believe that states should be involved in and contribute to passenger rail service, as California does. If confirmed, I look forward to working with you and your colleagues to pass a long-term reauthorization to end the annual funding crisis that Amtrak has operated under for too many years now.

Question 7. I am concerned over losing the oil produced in Alaska's Prudhoe Bay due to corrosion of the pipeline operated by BP and the lack of oversight by the Department's Pipeline and Hazardous Materials Safety Administration (PHMSA).

Even before the BP pipeline incident, gasoline prices were already high enough to cause American consumers and businesses to struggle. BP neglected the upkeep of its pipeline, despite its phenomenal profits in recent quarters.

How would you ensure that the Federal Government is providing oversight in protecting pipelines whose proper functioning is so crucial to our economy and environment?

Answer. This year's incident at Prudhoe Bay demonstrates we have more work to do on pipeline safety and, if confirmed, I will ensure the Department continues to proactively reach out to stakeholders and other Federal, state, and local agencies to ensure a safe and reliable pipeline infrastructure. I also look forward to working

with the Senate Commerce Committee to pass pipeline reauthorization. This important legislation will provide the Department additional authority to ensure the continued safety, security, reliability and enforcement of our pipeline system.

Question 8. California has obtained expanded service options to Mexico, including flights by low-fare carriers. This has helped expand economic growth. Are you supportive of low-cost carriers—for both domestic and international service? Do you believe that the Department of Transportation should promote competition in the aviation industry?

Answer. Yes, I believe that competition within the airline industry has a positive effect on the traveling public, which benefits from the availability of new services and more low-fare options both domestically and internationally.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
HON. MARY E. PETERS

Question 1. The Essential Air Service (EAS) program, established as part of the Airline Deregulation Act of 1978, is a program that helps to ensure that our Nation's rural communities are serviced by commercial air carriers. With jet fuel costs having risen more than 165 percent since the attacks of September 11, 2001, carriers are faced with considerable challenges in maintaining eligibility under the EAS program in providing service to rural communities.

What adjustments will be necessary to ensure rural communities across the U.S. continue to receive commercial air service under the EAS program?

Answer. I support the Administration's view that it is time to take a fresh look at the EAS program to assure that it is accomplishing its objectives as effectively as possible. The laws governing our administration of the EAS program have not changed significantly since its inception 28 years ago, notwithstanding the dramatic changes that have taken place in the airline industry. If confirmed, I will work with Congress, particularly Members from rural states, to review the EAS program in light of today's realities.

Question 2. The most significant transportation issue for my constituents in southwest Washington State concerns the construction of a new bridge crossing I-5 at the Columbia River. With thousands of people crossing the river every day for work and 75 percent of all commercial traffic in Washington and Oregon traveling on I-5 at some point, construction of a new bridge is critical. Bridge traffic stops completely for 4 hours a day, every day due to rush hour traffic and bridge lifts for maritime traffic. An accident or bridge malfunction snarls traffic all over the Portland metropolitan area for hours. Analysis of new bridge solutions are costing tens of millions of dollars to taxpayers and projected costs for the bridge are estimated to be between \$500 million to \$1 billion. Annual traffic growth estimates, conservatively projected at 15 percent annually, dramatically exacerbating this problem.

What can the Federal Government do to alleviate this problem, accelerate the process and ameliorate the financial burden on taxpayers in Oregon and Washington?

Answer. I understand that the replacement of the bridge crossing I-5 at the Columbia River is a vital project from metropolitan, regional, national, and international perspectives. The bridge is a critical link between Washington State and Oregon and needs to be replaced due to age and increased traffic. Work on the environmental impact statement (EIS) is underway and on schedule to be completed in 2009, due to the streamlining efforts of all the Federal, state, and local parties involved. The cost of this project will be shared by Washington State, Oregon, and affected local governments, and will include Federal highway and transit funding. I also understand that both Washington State and Oregon have public-private partnership enabling legislation, and while that option is not on the table now, it could be a consideration in the future. If confirmed, I look forward to working with you and the states to ensure that this critical bridge project is built in a timely and cost-efficient manner.

Question 3. The Northwest corner of our nation is host to burgeoning international trade. Trade with Canada is substantial and measured in tens of billions of dollars annually in the I-5 corridor alone. It is widely acknowledged that global trade with existing and emerging trade partners, including China, will at least double over the next decade or so, and highway, rail and marine port capacity will be far exceeded. Non-highway solutions for existing and anticipated highway congestion have been championed by past and present administrations, but while appearing to offer relief, little difference in modal distribution has been seen. Congestion

prevails as infrastructure and regulatory barriers to highway, rail and marine options defy solution.

What multi-modal solutions and strategies will you set in motion to change this economically untenable condition?

Answer. Our transportation systems must be upgraded to accommodate the growth in international trade—particularly with Pacific Rim nations—that shows no signs of abating. We must improve modal connectivity and encourage the widest possible array of funding options. Strategies such as short sea shipping and multimodal construction projects such as the Alaska Way Viaduct and Seattle Seawall improve the efficiency of regional transportation and remove traffic from congested transportation corridors. If confirmed, I look forward to advancing these and other solutions to our transportation chokepoints.

Question 4. Emergency Medical Service (EMS) aviation operations provide an important service to the public by transporting seriously ill patients or donor organs to emergency care facilities. Next week marks the 1-year anniversary of a fatal crash of an EMS transport helicopter just north of Edmonds, Washington, that took the lives of the pilot and the two nurses on board. In January 2006, the National Transportation Safety Board (NTSB) released a report on its investigation of the 55 EMS accidents and identified recurring safety issues. While the NTSB noted that the Federal Aviation Administration (FAA) had recently taken positive steps to improve the safety of EMS operations, it concluded “the FAA has not yet imposed any requirements for all aircraft EMS operators regarding flights without patients on board, risk management, flight dispatch, or the use of technologies.” In your testimony before the Committee, you said that safety is the Department’s highest priority. I agree with you and look forward to working with you on EMS and other aviation safety issues during the upcoming FAA re-authorization.

In light of your statement, do you believe that all helicopter EMS should operate under more stringent Part 135 rules for all flights with medical crews on board?

Answer. Due to the emergency nature of these operations and the life saving mission which they serve, it is heartbreaking to realize that the causes of some of these accidents were avoidable. It is my understanding that the FAA and industry have taken steps which have led to a marked decrease in accidents in this area. Nevertheless, if confirmed, I will undertake a review of this issue to determine whether requiring helicopter EMS to operate under Part 135 rules would improve safety without otherwise negatively impacting life saving operations.

Question 5. We’ve seen in recent years that UAV’s can play an invaluable role in both the military theatre and homeland security, as well as in non-defense capacities. Air Traffic Management and Unmanned Aerial Vehicles integration in the National Airspace structure is a critical issue as we look to expand the use of UAV’s.

What is the Department’s plan to accelerate this integration? What steps are currently being taken? What are your thoughts with respect to a graduated regional UAV integration strategy that builds from less densely populated regions in the U.S.?

Answer. I have not been thoroughly briefed on this subject; however, it is my understanding that the FAA is working to develop standards to integrate UAV’s into the national airspace. It seems reasonable that UAV’s could be integrated into the airspace more readily in sparsely populated regions of the country; however, I would want to have a more thorough understanding of any potential safety issues before the Department committed to a course of action. If I am confirmed, I will make it a priority to get educated quickly on this program.

Question 6. This past June, the Surface Transportation Subcommittee held a hearing concerning service and capacity in the freight railroad industry. The Government Accounting Office (GAO) testified that that there are competition problems in the rail industry and the rate process at the STB doesn’t work. The GAO went on to testify that the STB has broad powers to investigate and address rail industry practices, but that they have only exercised this authority in the area of mergers and actual rate cases.

Do you believe that there are legitimate concerns with regard to freight rail competition? What actions do you intend to take to assert the role of the STB and broaden its limited scope of investigation?

Answer. During my courtesy meetings with Members of the Commerce, Science, and Transportation Committee, several Senators raised the concerns you have highlighted. I recognize the Surface Transportation Board (STB), an independent regulatory agency, continues to struggle with this issue. Although I am not familiar with the specific cases before the STB, I am aware of the need to bring together small and large railroads, shippers, states, local communities, and other interested parties to mitigate some of these rate concerns. Where competition is not easily achievable,

railroads and shippers need to have the ability to resolve their differences in a fair and unbiased manner. Additionally, if confirmed, I promise to reach out to the STB and have regular dialogue with its appointed board members on these issues.

Question 7. Do you believe that the STB should have more authority? Should they have the power to suspend rates during an investigation? Should the burden of proof in rate cases be shifted from the freight rail shipper to the freight rail carrier itself?

Answer. I believe it is generally accepted that the Staggers Act has been a success for both railroads and shippers. I also understand that the Surface Transportation Board (STB) has several matters pending that could address some of these issues, including one dealing with fuel surcharges and another addressing rate case resolution. At this time, I do not have any personal opinions on whether any changes need to be made. If confirmed, I would be interested in discussing these issues with the rail industry, shippers, states and local communities to determine how we can ensure an equitable process.

Question 8. As you know, the U.S. and the nations of the European Union (EU) have been working on an "Open Skies" agreement. However, a key issue in this negotiation involves increased foreign ownership rights. Through a recently announced Notice of Proposed Rulemaking (NPRM), the Administration is proposing to redefine the actual control test to cover only safety and security decisions, and permit other economic decisions, including day-to-day operations, market strategy, and purchase of aircraft, to be controlled by foreign officials.

What are your thoughts with regard to granting all the European Community carriers rights to U.S. domestic routes and vice-versa, giving U.S. carriers rights to intra-European Community (EC) routes? What are the economic implications, if any, of shifting from bilateral to multilateral aviation agreements?

Answer. The United States has not proposed, nor does the draft U.S.-E.U. Air Transport Agreement reached last November contain, rights for EC airlines to operate U.S. domestic routes. Such operations are prohibited by U.S. law, and I would not support changing this law.

I believe that the benefits of extending the Open-Skies regime to all markets between the U.S. and the EU through a single agreement will transcend anything achieved through the bilateral process.

Question 9. As you know, the contract negotiations between FAA and the National Air Traffic Controllers Association reached an impasse last April and formally ended negotiations. To my disappointment, Congress was unable to review the FAA proposal within the 60 days as required under statute and as a result, the FAA implemented its own proposal without have to return to the bargaining table with NATCA. That is why I cosponsored legislation (S. 2201) that would have required the FAA and NATCA to go back to negotiations.

What is your experience with handling contract negotiations between an employer and its employees? Given current law, how do you intend to ensure the FAA puts forward the best contract offer on its employees?

Answer. I believe that contract negotiations between employers and employees should be conducted in good faith, and follow all legal requirements. If confirmed, I will work with Administrator Blakey and the NATCA to open dialogue between the agency and the union. I placed a call to Pat Forrey, the new President of NATCA, immediately after my nomination was announced and should I be confirmed, would plan to meet with him to start this process.

Question 10. The FAA's goal to enhance the quality of flight service centers at a considerable savings while improving service and technology is laudable. However, I strongly believe enacting reform to achieve cost savings cannot come at the expense of government workers.

What is your strategy/approach to improving aviation services while at the same time, reducing air traffic control operating costs?

Answer. I am committed to delivering government services in as efficient and cost-effective manner as possible. My experience at both the state and Federal levels has taught me that this can be achieved through strategic budget planning, effective program oversight, and smart management of our personnel—our most important resource. One of my management priorities is to have an open dialogue with all Departmental employees as to how we may best serve the public, including how we can invest in the best training and most advanced technology to improve productivity. If confirmed as Secretary, I would take every opportunity to improve efficiency and safety of the air traffic operation while maintaining a high degree of customer service and a commitment to be fair to our employees.

Question 11. One of the pending issues is the implementation of the program called Projects of National and Regional Significance at the Federal Highway Ad-

ministration. The SAFETEA-LU legislation set out activities for that program that include working toward a recommendation for the full Federal involvement in projects funded by the program. In my state, the Alaskan Way Viaduct project in Seattle was allocated \$ 220 million from this program in SAFETEA-LU.

What will the Department, working with Washington State DOT and the City of Seattle, do to ensure that the full funding provided for the project in SAFETEA-LU remains available for the project and to develop a Federal funding recommendation for the project that extends beyond the life of the SAFETEA-LU legislation?

Answer. I understand that the FHWA is working with the State of Washington in the development of the finance plan for the Alaskan Way Viaduct, which will include identification of funding for the project beyond SAFETEA-LU. If confirmed, I assure that I will monitor the progress of this important project.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. FRANK R. LAUTENBERG TO
HON. MARY E. PETERS

Question 1. If confirmed, will you encourage or pursue the sale of state roads, even to foreign corporations?

Answer. States and other non-Federal authorities own and operate the vast majority of roads in America. Many of these roads, including the older toll road systems, were constructed prior to the creation of the interstate highway system with little or no Federal financial support. Where the facilities were built using Federal funds, I believe it is important that the public interest is protected in any potential transaction.

In my time at FHWA, I supported giving states flexibility to explore new partnerships with the private sector. With the enactment of SAFETEA-LU, Congress also declared its support for more state flexibility. The question that must always be asked is: does the contractual arrangement improve performance of the facility, enhance customer services and protect the interests of the taxpayer. If the public interest and security can be protected in connection with these types of transactions, then we should continue to support them.

Question 2. If confirmed, will you ensure that any redesign of the airspace over New York and New Jersey takes into full account the effects of noise pollution on citizens?

Answer. Yes.

Question 3. If confirmed, will you ensure that the air traffic controller contract which was unilaterally imposed on the U.S. air traffic controller workforce will be fairly implemented?

Answer. Yes.

Question 4. If confirmed, would you work to reinstate the mandatory rest period after 2 hours of work for air traffic controllers?

Answer. While I am not familiar with the specifics of the air traffic controller contract, I will consult with the FAA Administrator to ensure adequate rest periods for all safety-sensitive positions including controllers.

Question 5. If confirmed, will you work to formulate a fair agreement with the State of New Jersey on a full funding grant agreement for a new rail tunnel under the Hudson River, consistent with state matching requirements for other Federal projects?

Answer. It is my understanding that this project was recently approved into preliminary engineering by the Federal Transit Administration. Should I be confirmed, I look forward to working with you and the State of New Jersey on this regionally significant project.

Question 6. If confirmed, will you ensure that Amtrak receives its capital and operating grants from the USDOT in a timely manner?

Answer. Yes.

Question 7. Aside from notifying Congress, as you promised to do before taking any departmental action on the USDOT's rulemaking effort to change the rules on foreign ownership and control of U.S. airlines, if confirmed, will you commit to withdrawing the rulemaking, which has been voted down by both Houses of Congress?

Answer. I was not involved in the development of the Department's proposed rulemaking. As such, I will not commit to any action before I have had the chance to review the comments filed by interested parties.

Question 8. If confirmed will you take any action to pursue changes in the Federal laws concerning truck size and weight standards, aside from the use of truck-only lanes?

Answer. No.

Question 9. If confirmed, will you pursue or require the use of electronic on-board enforcement devices for trucker hours of service enforcement?

Answer. If confirmed, I will review the Electronic On-Board Recorder NPRM and work with FMCSA to expedite the rulemaking process.

Question 10. Regarding New Jersey's continued use of multi-year funding as an accepted financing method for infrastructure projects, the former Secretary and current FHWA Administrator stated that the Administration will not back away from the agreement reached with the New Jersey Department of Transportation last fall. The statement in that agreement pertaining to multi-year funding indicates that FHWA will continue to honor New Jersey's multi-year funding approach. Can you confirm my understanding that this agreement applies to both the current Statewide Transportation Improvement Program (FY06–FY08) as well as the FY07–FY10 Statewide Transportation Improvement Program?

Answer. Yes.

Question 11. If you are confirmed as Secretary, will FHWA continue to approve New Jersey's use of multiyear funding in Statewide Transportation Improvement Programs beyond FY07?

Answer. Yes.

Question 12. As former Secretary Mineta stated, congestion costs our country about \$200 billion a year. He proposed a strategy to reduce congestion, but I found it to be lacking in terms of passenger travel needs, and the use of rail service. Will you continue this initiative, and will you take the opportunity to correct some of the problems?

Answer. If confirmed, I plan to continue this initiative. I share the former Secretary's concern about congestion clogging our highways, railways, airports and seaports—and the staggering costs this congestion imposes. I see the National Strategy to Reduce Congestion on America's Transportation Network, as a flexible document intended to offer useful guidance to states, counties, cities and other localities in search of solutions for combating congestion. As we progress with this initiative, we will continue to modify our strategy as further analysis and circumstances dictate. If confirmed, I look forward to working with you to ensure that rail, intercity bus, and other long-distance travel modes are included in the congestion solution for our states and localities.

Question 13. If confirmed, will you pursue Federal efforts to encourage or require motorcycle helmet use?

Answer. As an avid motorcyclist, I would never consider getting on one of my bikes without wearing my helmet. As FHWA Administrator, I made highway safety my highest priority and worked closely with the Administrators of the Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) to develop strategies for reducing fatalities and injuries. Should I be confirmed, I plan to continue placing a heavy emphasis on safety initiatives and programs such as those promoting greater use of motorcycle helmets.

Question 14. If confirmed, how will you ensure that we have a balanced transportation system, with rail travel options for both travelers and freight shippers?

Answer. The success of passenger rail systems is predicated on on-time, quality service. I recognize this requires frequent dialogue between passenger and freight rail operators. Additionally, America's economy relies on an efficient freight rail system which we must preserve. If confirmed, I commit to you the Department will be engaged on this issue.

Question 15. Do you have plans to privatize our government functions that are currently handled by Federal officials and employees? What about the contracting out of work currently performed by Federal officials and government employees?

Answer. I have no plans to privatize government functions that are currently handled by Federal employees. I support DOT managers using contractors as part of their overall workforce planning, if such use provides a cost benefit to the American taxpayer and the service provided by the contractor is not inherently governmental.

Question 16. If confirmed, will you allow the hiring by USDOT agencies of contractors to prepare reports of agency activities?

Answer. If confirmed, I will allow USDOT agencies to utilize contractors as part of their overall workforce planning, if such use provides a cost benefit to the American taxpayer and the service provided by the contractor is not inherently governmental.

Question 17. If confirmed, will you ensure that all "prepackaged news stories" funded or produced by the Department of Transportation will include disclaimers

clearly notifying the audience that the U.S. Government produced or funded the news segment?
Answer. Yes.

