S. HRG. 112–956

LEGISLATIVE ISSUES FOR TRANSPORTATION REAUTHORIZATION

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

JULY 21, 2011

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

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

U.S. GOVERNMENT PUBLISHING OFFICE

23–822 PDF WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
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Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

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C O N T E N T S

LEGISLATIVE ISSUES FOR TRANSPORTATION REAUTHORIZATION

THURSDAY, JULY 21, 2011

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

The full committee met, pursuant to notice, at 10 a.m. in room 406, Dirksen Senate Office Building, Hon. Barbara Boxer (chairman of the full committee) presiding.

Present: Senators Boxer, Inhofe, Baucus, Carper, Lautenberg, Sanders, Whitehouse, Merkley, Sessions, Boozman.

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

Senator BOXER. The committee will come to order.

This is a very big day for us. I believe it is a milestone. And every one of the panelists here played a role. Before I begin my statement, I want to thank a host of organizations who have been transportation advocacy organizations. And this is not complete, but I just feel this moment belongs to you as well as to all of us. I am going to name them.

The National Conference of Mayors; The American Public Transportation Association; The American Council of Engineering Companies; The American Road and Transportation Builders; National Stone, Sand and Gravel Association; The AFL–CIO; a host of environmental organizations; the American Bus Association; AASHTO; AAA, International Union of Operating Engineers; American Traffic Safety Services Association; American Society of Civil Engineers; The Associated General Contractors; the American Trucking Association; The Association of Metropolitan Planning Organizations; The American Concrete Pavement Association; Associated Equipment Distributors; Portland Cement Association; National Ready-Mix Concrete Association; National Auto Dealers; National Asphalt Pavement Association; Laborers' International Union of North America; Owner-Operator Independent Drivers Association; American Iron and Steel Institute; U.S. Chamber of Commerce; National Association of Development Associations; National Association of Truck Stop Operators; American Highway Users Alliance; and many more.

I had to do that, because this day has been hard to reach. And it is because of your advocacy, working with all of us, that we have gotten to this point.

So now I will begin my statement, my 5-minute statement. I want to thank so much my friend and colleague, Senator Jim

Inhofe, for ensuring that our differences on many other issues never got in the way of our working toward a bipartisan Transportation Bill. We admit that we see life differently in many areas. But where we can come together, we do. And this is one area we believe it is absolutely necessary for our States and the United States to be strong and competitive.

And we share a deep commitment to the safety of our bridges and our infrastructure. And one of the most, I think, compassionate moments I have seen on this committee is when Senator Inhofe talks about what happened when there was a piece of infrastructure that started to fall apart in Oklahoma and the consequences of that.

All of the Senators on this committee have been instrumental in getting this bill ready for action. I must say, Senator Baucus and Senator Vitter, who are the Chairman and Ranking Member of the Transportation and Infrastructure Subcommittee, were extraordinarily helpful and we had many, many meetings for more than a year now. I want to thank the committee staff, who have been working so diligently on this bill.

And thanking everybody doesn't mean this bill is done. But I want to make the point that it is an unusual situation where we have to work so hard to get to this place. So I want to thank Bettina Poirier, Ruth Van Mark, David Napoliello and James O'Keeffe. These are the bipartisan staff, I think I have spoken to them at 9, 10, 11 o'clock at night for nights on end.

I want to thank the staff of all of our colleagues on both sides of the aisle for working so closely on this bill. And I want to welcome everyone to this very important moment, this critical moment in our Nation's infrastructure. Because the current Surface Transportation bill expires on September 30th, and if we don't act, this is the fact, we will see a cut of one-third, actually 36 percent. And we will see a loss of 620,000 jobs between highway and transit, 500,000 of those on the highway side.

So it is clear that we have to act. Because if we don't step up to the plate, we will see all these hundreds of thousands of jobs lost, and we will see our infrastructure continue to crumble.

This hearing is a milestone. This bill, Moving Ahead for Progress in the 21st Century, MAP–21, will maintain current funding levels, protect existing jobs, help spur economic recovery. Now, we made a lot of reforms in this bill. It is remarkable how many reforms we have made. We have taken an array of programs, we have consolidated them. We have made this bill much more streamlined than any other bill that we have seen before. But we keep funding at current levels, and that is crucial.

We also have a new section called America Fast Forward. That name was after a name that a bipartisan group of leaders in Los Angeles came up with to describe one particular part of this bill, the part that funds TIFIA at a billion dollars. And the mayor will speak to that, Mayor Villaraigosa will speak to that. I thank him and his bipartisan team for that.

According to the Federal Highway Administration, every Federal dollar made available through TIFIA historically has mobilized up to $30 in transportation investments. I am pleased to say that although Chairman Mica's bill is quite different from this bill, and it totally reflects a huge cut, he does step up to the plate on TIFIA. And I am very grateful to him for that.

I joined him in Los Angeles where he heard about TIFIA. He stepped up with his, and he has a billion dollars for TIFIA, and I am very pleased about that.

Let me say again, we have many differences on this committee when it comes to the environment. That is no secret, and we are very open about it. We sometimes have a sense of humor about it, although sometimes neither side is laughing much. But on this, we really do believe this is a basic function of the national government, to address our infrastructure needs. Because if you can't move people and you can't move goods, you are just not going to grow. We are not going to have the jobs, we are not going to be the great power that we are and we want to continue to be.

I would say in closing that the coalition I mentioned at the beginning, I think, was really represented in a magnificent way earlier in the year when we heard from Tom Donahue, President of the U.S. Chamber of Commerce, and Richard Trumka, President of the AFL–CIO. They practically held hands during their testimony. They were so close together on the way we need to take immediate action to reauthorize this Nation's transportation system.

So I look forward to this hearing. I look forward to our markup. We are working together on a date, that it may be before we get out of town here on this summer recess. Pray God all the other things fall into place that we know we have hanging over us.

But again, my deepest thanks, and I will call on Senator Inhofe.

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

Senator INHOFE. Thank you, Madam Chairman.

I want to put an editorial from the Oklahoman in the record. I think it is very, very good.

[The referenced information was not received at time of print.]

Senator INHOFE. Let me start by commending Chairman Boxer. As she says, we have had a lot of differences in the past, but this one area, we really don't have differences. We recognize that this is what we are supposed to be doing up here. For her leadership and dedication and willingness to work together has made this possible. I say the same thing for Senator Baucus and the rest of the committee. I know that Senator Sessions has had real concerns about what is happening in his State of Alabama.

And we have put together, I think, a really good highway bill, under the circumstances, one that we could not have anticipated we could have done even two or 3 months ago. It is very appropriate that we have my favorite Secretary of Transportation, Gary Ridley back with us. I have often said he is the best in the Nation. And one of the reasons for that is that he has been there as long as I have.

Didn't we figure out that we came about, he came as a laborer to the Department of Transportation the same time I came as a laborer to the State legislature? I think it was the same year. We won't tell them how long ago that was. But we go back a long way. And I don't think, I say this, you can't find too many of the members that have the close relationship that we have. There is not a week that goes by that we don't talk about this problem that we are facing.

We acknowledge that the proposal that we have has a $12 billion shortfall. I know that the Finance Committee is working on that. It is something that we are not going to be able, yes, we are going to come out with a bill, but it is not going to reach where we need to have it to get it passed until such time as we fill that hole. We can do that. But I can tell you right now, it will be virtually impossible to pass unless we are able to do that.

Now, I think we are facing that. We know that it is going to happen. We are fortunate to have the Chairman of the Finance Committee on our committee, Senator Baucus. And we work very, very closely with him. So I support the efforts that have been working behind the scenes with him and with the Republicans, I have been talking with the Republicans on the Finance Committee, talking about what really we should be doing as we address the spending problems.

I have to say that there are a lot of things in this bill that were compromises between Barbara and myself, between the Chairman and myself. And there is a lot more in the way of project delivery that I would have preferred, a lot more of the livability stuff that she would have preferred. But most of all, we want a bill. And this includes many of the essential policy reforms that my colleagues and stakeholders have recommended, consolidates the number of programs from SAFETEA from 87 down to 30, a major, major change.

And I also want to say that putting this thing off is not an option. We have been putting it off and putting it off. The Chairman mentioned an incident, and we were talking about it when we had dinner last night with Secretary Ridley, about the lady in my State of Oklahoma who drove under a bridge, a chunk of concrete this size fell off, hit her, killed her. She's a mother of two small children. We can tell stories about this.

So this is not just, is this something that should enjoy a high priority. This is life-threatening, it is something we are going to have to do.

So I don't think that putting it off is an option. I don't think that settling for the lower figure that would be a 34 percent cut, and I am going to be asking Secretary Ridley to talk about the specifics in our State of Oklahoma, as to what this would mean, what this would cost. It would be very, very expensive.

And I want to get one thing across to my colleagues. I have been ranked more often than not the most conservative member of the U.S. Senate. And yet, I have often said there are two areas where I am a big spender. And I admit that. One is national defense, and the other is infrastructure. Because this is where it has to happen. We don't do it here, it is not going to happen any other way.

So I have personally been on this since I have been in this Senate, and then 8 years prior to that on the same committee in the House. So I think that we know what we have to do, and I think we are prepared now to get something done. So we will be looking forward to it. I agree with you, Madam Chairman, this is a very, very significant day.

[The prepared statement of Senator Inhofe follows:]

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

I'd like to start by commending Chairman Boxer. With her leadership and dedication, and the great work of Senators Baucus and Vitter, we have put together a really good highway bill. Anytime you are working on a bill this important, it is hard to reach a bipartisan compromise, and this is especially true in our current political environment. What we have achieved here is important for the Nation.

It is so appropriate to have Secretary Ridley here with us today. I've often said that he is the best DOT Secretary in the Nation. There is no person whose judgment I value more on these issues. I speak with him many times each month and I could not have negotiated this bill without him.

We must acknowledge that our proposal to fund the highway program at current levels would result in a $12 billion shortfall in the Highway Trust Fund. Before we proceed to mark up, I must insist that the Finance Committee has identified a bipartisan way of filling this hole. It is unwise to push an unfunded proposal to spend over $100 billion at the same time the Nation is singularly focused on cutting trillions of dollars in spending. If we proceed before we have identified funding, we will lose Republican support and kill the bill for this Congress, doing irreparable harm in the process.

We are very fortunate to have the Chairman of the Finance Committee, Senator Baucus, working so closely with us toward a bipartisan solution. I support his efforts and have been working behind the scenes to help him with Republicans.

As is the case with all compromises, nobody gets everything they want. Most notably, this bill does not go as far as I would like on project delivery and it doesn't have the so-called "livability" mandates the other side would have liked. What we do have, is a bill that can pass the Senate.

This bill includes many of the essential policy reforms that my colleagues and stakeholders have recommended. It consolidates the number of programs in SAFETEA from 87 to under 30. It gives states more flexibility, while focusing Federal dollars on key outcomes. These changes will ensure that Americans get the most for their gas tax dollars. We have also made good progress expediting project delivery, including expanding categorical exclusions and imposing meaningful deadlines on Federal resource agencies. Finally, the bill will include no earmarks or programs that only benefit a limited number of states.

I want to make it very clear that putting this off is not an option. We need to do a highway bill. A short term extension does not give states needed certainty and will either mean a cut of at least 34 percent Federal highway funding or a bailout of the Trust Fund in fiscal year 2013. Of equal importance, an extension will not include any of the important policy reforms in our bill.

I'd like to take a moment to point out to my colleagues that I have been calling for massive cuts to government spending for years now. I introduced the first bill to lower spending to 2008 levels. This call has been echoed by most proposals to rein in our out of control spending since then. But it is important to note that taking the highway program down to $27 billion would mean going below 2000 funding levels—a point far beyond what is being talked about for other, less critical programs.

This 34 percent cut would mean $200 million each year less for my State of Oklahoma than they currently receive. A recent editorial in the Oklahoman entitled "Cuts in highway funds would really hurt Oklahoma" discussed possible delays in critical projects if we go with the House number. This is going to be repeated in every State in the Nation. The impact of that on jobs and the economy will be staggering.

Senator BOXER. Thank you so much.

I am going to call on Senator Baucus. I just want to say something I said to him privately and said to Senator Inhofe privately, that in the Gang of Six proposal, which as you know everybody is looking at, one of the things they do there is fully fund the Highway Trust Fund for 10 years out, based on current levels of spending. And I think the reason it is just important to mention it is because I think it does show that among Democrats and Republicans, this is a strong priority. They don't mention any other specifics.

Senator INHOFE. And confession is good for the soul. I have to admit, I didn't know that until Barbara told me on the floor yesterday.

Senator BOXER. I just think it is something that says other people feel the way we do about it.

Senator Baucus.

OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. Thank you, Madam Chairman.

And I thank you for scheduling this hearing to finalize our bill.

I want to read a quote, and I want everyone to see if you can guess who said it and when it was said. “American today lacks a coordinated transportation system that permits travelers and goods to move conveniently and efficiently from one means of transportation to another, using the best characteristics of each. The result is waste of human and economic resources and each of the taxpayers' dollar. Modern transportation can be the rapid conduit of economic growth or a bottleneck. It can bring jobs and loved ones and recreation closer to every family, or it can bring instead a sudden and purposeless death. It can improve every man's standard of living, or multiply the cost of all he buys. It can be a convenience or it can frustrate and impede and delay. The choice is ours to make.'

That was President Lyndon Johnson, March 2d, 1966, calling for establishing a United States Department of Transportation. What he said more than 45 years ago is as relevant today as it was then. The choice is ours to make. We need to plan for America's future.

That is why with your able leadership, Madam Chairman, this Senate will proceed with a bipartisan 2-year bill. Let's be clear: 2 years is not ideal, not in a transportation bill. I know Chairman Boxer held out for a 6-year bill as long as possible. But the issue is funding.

The Congressional Budget Office says the Highway Trust Fund needs $12 billion just to maintain funding and still have a prudent balance at the end of 2 years. I want to say publicly that I am working very hard on the Finance Committee to find that money. We are having constructive conversations. Nothing is certain around here, but I feel fairly confident with some of the ideas we are working on that we will, on a bipartisan basis, find that $12 billion.

But there is also a sequence to things. Senators want to see Congress resolve the debt limit before they will commit to anything with respect to how we fund and find that $12 billion. I am, however, optimistic we will find the money and avoid the severe cuts the House proposes. And I am optimistic about the bill we are discussing today.

This is one of our most important national programs. And I underline the word national. We need a little more of that around here. As with defense, space, agriculture, security, we are all in this together. Chairman Boxer, Ranking Member Inhofe, Senator Vitter, and I have stayed focused on the main national goals. I want to note the contributions of Senator Isakson and our former colleague, Senator Voinovich, as previous Ranking Member on the committee.

Some people won't like it. They will say it doesn't do enough of this, or does too much of that. But that is of course the nature of compromise. We have made compromises in the national interest. In America, people need a 21st century National network. Our bill focuses on national pursuits, such as asset management, safety, mobility, freight and planning. We seek to prioritize needs and to foster smart investment for the future.

States need funding certainty to uphold the national network. And America needs jobs. Nationally, unemployment is at 9 percent, unemployment in the construction sector 16 percent.

So the urban and the rural, the donor and the donee States must now all pull together for our shared national benefit. We are in this together. It reminds me of what Benjamin Franklin said, either we hang together or most assuredly we are going to hang separately. That is true of the Highway Bill, too. We have to hang together to get a good national bill.

Meanwhile, over the next 2 years, we should contemplate what we want this program to be for the 21st century. And we need to think about how we are going to pay for it.

We should use our time wisely. And as President Johnson said, the choice is ours to make. Thank you, Madam Chairman.

Senator BOXER. Thank you so much.

I thought it was Eisenhower, so you surprised me on that.

Senator BAUCUS. Eisenhower was the Highway Bill, he was the interState system.

Senator BOXER. We all would have failed the exam. This is embarrassing.

But actually, it is fascinating to think about how long ago that was said, and think how much we have grown since then, and what worse problems we now face. Thank you so much.

Senator Sessions.

OPENING STATEMENT OF HON. JEFF SESSIONS, U.S. SENATOR FROM THE STATE OF ALABAMA

Senator SESSIONS. Thank you, Madam Chair.

I will offer my statement for the record, and just congratulate you and Senator Inhofe for working, putting together MAP–21. It is a framework that really answers some of the questions our State highway director raised when he testified here. So you made some progress in a lot of different areas.

As the ranking Republican on the Budget Committee, I do know how significant our financial situation is. And if we can maintain the funding level that you have recommended, I think it would be something I can support. And I say that very seriously, because a lot of programs will not be able to maintain the level we would like them to be maintained at.

I remain disappointed that the Stimulus Bill only produced about 4 percent of that money to roads and bridges. So we have missed an opportunity there to jump start some of our infrastructure needs. And we will wrestle with this. Secretary LaHood testified at the Budget Committee and said we needed more revenue. But it was not a gas tax. So I teased him a little and talked about the not-gas tax. So Senator Baucus, I don't know, you will have a not-gas tax revenue enhancement somehow, I guess, or offsetting expenditure somewhere.

Senator BAUCUS. The leading contender is the non-gas tax.

[Laughter.]

Senator SESSIONS. The not-gas tax tax.

Senator BAUCUS. No, the not-gas tax measure.

[Laughter.]

Senator SESSIONS. OK.

May I take this opportunity to introduce one of the witnesses from Alabama?

Senator BOXER. Yes, of course.

Senator SESSIONS. I do have two other hearings at this very moment, so I will be in and out.

It is really my pleasure to introduce Don James. He will be testifying today. He is Chairman and CEO of Vulcan Materials Company, based in Birmingham. Vulcan is the Nation's largest producer of materials that go into highways and roadways. He joined Vulcan in 1992, after a long and successful career with Bradley, Ahrent, Rose and White, Alabama's largest law firm. And I am sure Don thought it was the best and it is still a great law firm.

He has a bachelor's degree, an MBA from the University of Alabama and his law degree from the University of Virginia. He served in the Army as a first lieutenant. He is active in a number of business, civic and industry organizations. He is one of Alabama's most respected and important leaders.

He is past chairman of the National Stone, Sand and Gravel Association, a director of the Boy Scouts, of the U.S. Chamber of Commerce, University of Alabama-Birmingham Medical Health System, Economic Development Partnership of Alabama and University of Alabama Health Services Foundation, a trustee of Birmingham Southern College, a fabulous liberal arts college, I guess one of the highest ranked academically in the State, and Children's Hospital, which is a fabulous hospital in Birmingham.

So Mr. James is a fine citizen and knowledgeable person who is deeply involved in these issues. From my experience in talking with him, you can be sure that the comments he offers will be wise and beneficial. Thank you, Madam Chairman.

Senator BOXER. Senator Sessions, I know you have to go in and out. I just want to thank you for your comments. Your support for this bipartisan bill that you expressed today goes a long way with me. I am just very grateful to you.

Senator Sanders.

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

Senator SANDERS. Thank you, Madam Chair.

I find myself in agreement with much of what has already been said. What I can say is, I was a mayor for 8 years. One of the things you learn about infrastructure as a mayor is if you don't invest in it, if you don't maintain it, if you don't rebuild it, you know what? It doesn't get any better.

So one of the stupid elements that we do about delaying infrastructure ends up costing us more, because we allow it to deteriorate. That does not make any sense at all.

Madam Chair, I had hoped, as you know, that we would be discussing a 6-year bill. I know that was your desire as well, rather than a 2-year bill. That said, I hope that this committee and the

Senate can come together to pass meaningful legislation that will address our significant transportation infrastructure needs. And it has already been stated, not only do we deal with infrastructure, and the need to rebuild our infrastructure is apparent to everybody in this Country, but in the process, we can create over a period of years millions of good-paying jobs. So this is not only an infrastructure issue, it is a job-creating moment, and it is one that we must take advantage of.

Even with this very meaningful investment being made as a result of the Recovery Act, we put some money into infrastructure, not enough, our transportation system clearly is in worse and worse shape every year. We have heard in previous hearings that the American Society of Civil Engineers has graded America's roads, public transit and aviation with a D, a D. They say that we must spend $2.2 trillion over the next 5 years, simply to get to a passable condition, a passable condition, not $109 billion over 2 years, but more than eight times that amount each year for the next 5 years.

So what we are doing here is trying to move forward. But I think we can all acknowledge that it is simply not enough.

Madam Chair, let me just simply conclude that not only is this important to infrastructure, not only is it important for job creation, it is also important in terms of our position in the global economy. Today the United States invests just 2.4 percent of GDP on infrastructure. Europe invests twice that amount. China invests almost four times our rate, roughly 9 percent.

I will conclude with a short story. Good friend of mine returned from China, leaving a state-of-the-art airport in China, having ridden on state-of-the-art rail, getting cell phone service all over that so-called Third World country. Came back to an overcrowded airport in New York City, where he had to wait for hours to catch his plane. Couldn't find a seat. And when he returned, he was wondering which is the Third World country.

The rest of the world is moving forward aggressively in public Transportation and sustainable energy and so forth. We are not. So this is an enormously important bill for a number of reasons. And I look forward to working with you to make it happen.

Senator BOXER. Senator Sanders, I so appreciate this. Great disappointment that we couldn't do a 6-year bill. It has to do with funding and locking funding in for 6 years and the kind of job that our good Senator Baucus has to do in his committee, getting support.

But I do know how you feel, and I want to note that you have been nothing but helpful and your staff as well.

And Senator Lautenberg, a long-time champion of transportation, I am so glad you are here. Please have the floor.

OPENING STATEMENT OF HON. FRANK LAUTENBERG, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator LAUTENBERG. Thank you very much, Madam Chairman.

I won't be long. But I start by looking at what our mission is. And if our mission is to move our economy forward and create jobs, then we can do it very rapidly, very effectively if we look at the infrastructure side of things. I saw it in my own State, that the

Governor made a decision not to accept $6 billion worth of assistance from the DOT and from the Port Authority in New York and New Jersey, because of concerns that there might be overruns in building this tunnel. So critical for us to continue to get cars off the road.

This by the estimates that were available would have taken 22,000 cars a day off the road. It would have created 44,000 jobs immediately in the construction area, where there are plenty of people shovel-ready, ready to get going, they can't wait.

And last, to create a better avenue for those who want to work in the city of New York, or vice versa, or those who want to live in New Jersey and move things along more efficiently. And it was mind-boggling, to say the least, to hear that decision by the Governor was being made.

And I look back in history and it may be a surprise, but I'm old enough to remember WPA and some of the other things. I even remember when the George Washington Bridge was being built. They said it wouldn't last, but there it is. In any event, what happened? It was the Washington Bridge between New York, the largest crossing facility between New York and New Jersey. George Washington Bridge was built during the Great Depression. The interState highways built over a 40-year span, even when the Country was in recession.

The fact is, that if we short transportation now, we will be selling the Country short in the future. And that is not why we are here. But we do need to make the smart investments. Simply building more highways won't solve our transportation problem, make us more competitive. We need a national, strategic transportation policy that establishes clear, measurable goals for the future and ends the checkerboard approach that has plagued our transportation system far too long.

And while we shouldn't, in my view, be adding more lanes on our highways, we ought to be repairing the infrastructure that we now have in place and keeping dangerously large and heavy trucks and their wear and tear off our bridges and highways. After all, a 21st century economy cannot be built on collapsing bridges and crumbling infrastructure.

So we ought to be making substantial investments in mass transit, passenger rail, high speed rail. We are now planning to build a gateway tunnel, it is called, which will allow us to run more trains, faster trains, through the vital Northeast Corridor, create tens of thousands of construction jobs and permanent jobs. We ought to be putting more cargo on trains and ships, a move that will help get more trucks off the road and help us save fuel, boost productivity, improve the environment, reduce traffic. And we ought to make transportation safer by investing in systems that reduce things like drunk driving, more uses of all transportation networks, including bicycles if necessary and other things to encourage people to get out, not to jump in their cars.

So if we don't prioritize smart transportation investments today, we will fall behind tomorrow. And I remind everybody that there were 100 million new Americans in a 30-year period. And it is predicted that the next 100 million is going to come at a much faster rate. And we have an infrastructure that isn't built for that kind of use. And we ought to wake up to the needs of not only tomorrow, but the days well after tomorrow.

So thank you, Madam Chairman, for holding this hearing. It is important and I hope that we won't be the only ones listening to ourselves. Thank you.

Senator BOXER. Well, I can assure you we are not. Because frankly, the work that went into this bill really came from stakeholders all over the Nation. And I think it is a good moment today. I am optimistic hearing what Senator Inhofe has said and Senator Sessions, Senator Baucus. I just feel good about the way we are going.

Senator Boozman, keep up that spirit, sir.

OPENING STATEMENT OF HON. JOHN BOOZMAN, U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BOOZMAN. Well, thank you very much. I will keep up that spirit. I want to thank you, Chairman Boxer, and Ranking Member Inhofe, for your commitment to the bill, along with Senators Baucus and Vitter. The fact that the committee was able to reach an agreement on a bipartisan bill I think is nothing short of miraculous. And for this, I would like to thank all of you for your leadership.

I would also like to thank our witnesses for appearing today and sharing their thoughts on the 2-year bill. While we still have work ahead of us as far as funding is concerned, I do believe this bill is an extremely important step in the right direction. We cannot afford to let current projects go unfinished. And that is a very real concern, without proper funding. In the State of Arkansas, we have a number of unfinished projects that are important to the State, but more importantly, of national significance that would greatly help the flow of commerce throughout the Country.

Without appropriate investment in our Nation's infrastructure, thousands of jobs are directly and indirectly on the line. And the ability of our people to travel hangs in the balance. I am pleased the committee recognizes the problem such as this, and have worked hard to put forth a proposal that will hopefully address much of our needed infrastructure investments.

Again, I am excited to discuss the details of this highway funding proposal. Without the dedication of the members here today, this would not be possible. With that, I yield back.

Senator BOXER. I thank you so much for that.

And we are going to get right to our panel. We are going to start with Hon. Antonio Villaraigosa, Mayor of the city of Los Angeles. I think everybody knows, well, right now, you are the head of the what do you call it, the President of the Conference of Mayors. Mayor Villaraigosa has done wonders in Los Angeles and continues to. This is an area that just has all the congestion and needs a leader like this. We are so proud. You have worked with all of us, and you have worked with Chairman Mica. So I just want to praise you for working across the aisle on this.

We welcome you. I know you got in at 4 this morning and you are leaving at 1 today. So you just go, and if you need to leave, please, we understand. We are thrilled that you are here, Mayor.

STATEMENT OF HON. MAYOR ANTONIO R. VILLARAIGOSA, MAYOR, CITY OF LOS ANGELES

Mayor Villaraigosa. Actually, I have to welcome about 50 mayors from around the Country to my city at 5:30. So I may take you up on that.

Madam Chair, Ranking Member Inhofe, and Senators Baucus and Boozman, and all of the members who I have had an opportunity to hear from, I dare say that those of us listening and watching and working with you marvel at the bipartisanship, the ability to work together. If we could just do that on many of the other issue facing the Nation, I think America would move forward even during these tough times.

I know I speak for my fellow mayors around the Country, both Democrat and Republicans, when I say that this is a critical moment in our Nation. Hearing Senator Sanders a few minutes ago speak to the $2.2 trillion need just to get us to a passable grade, it boggles the mind, the challenges before us. With the future of Federal infrastructure investment in question, we are standing at a generational crossroads. I believe we need to think very carefully about how we choose the path ahead.

Across the Country, from Portland, Oregon to Portland, Maine, one thing is clear: Americans need jobs now. I like to say with all of the debate around the deficit and the debt that when people walk up to me on the streets of Los Angeles, in fact, when they walk up to mayors all across the Country, they don't ask us about the debt and the deficit. I am not suggesting that those aren't important issues.

But invariably they will say, Mayor, can you get me a job, I want to work. And we have a solution for them, you all have a solution for them. And that is to pass a transportation bill now. A bill like the one outlined by Chair Boxer and Ranking Member Inhofe would not only invest in our crumbling roads, our bridges, our tunnels, and our aging ports, airports, water treatment and power facilities, it would create a half a million jobs just right now. I want to applaud your leadership in developing the outline for MAP–21. It is a forward-looking proposal that would help create the world class infrastructure this Country needs.

Obviously I come from Los Angeles, and for some of you, it is on the other side of the Country. And sometimes it seems like the other side of the world. But what people don't realize is that we move 44 percent of all the seaborne goods that enter the United States. Every single congressional district generates jobs because of the trade activity that occurs at our port. Our airport is the No. 1 destination airport in the United States.

So we know first-hand that worldwide competition is demanding more of us than ever from our infrastructure system, just to remain competitive. I am very pleased to see that this committee's framework would include a national freight program. We also continue to grapple with growing congestion. You may have seen on the news last week Carmageddon. A day without a car in Los Angeles is a day that we don't enjoy very often. We were able to enjoy the other day.

But what I tried to explain to everyone, we weren't just demolishing a bridge. We were connecting a system of HOV lanes from

Orange County all the way to the San Fernando Valley, with the goal of reducing, moving traffic and reducing congestion 1 minute a mile as a result of that HOV lane. Creating 18,000 jobs just with that alone.

So we continue to grapple with congestion and the impact on mobility and jobs. And take it from a native Angeleno, congestion can be a job killer. It is pretty simple: when our infrastructure functions efficiently, employers expand their businesses. When congestion and other constraints choke movement of people and goods, companies pull up stakes and the jobs leave with them.

Now, L.A. is no different from other major metropolitan areas. Our cities are the heart, lungs and muscle of the Nation's economy. Let me give you an example. If you took New York, L.A. and Chicago, our economic output is roughly the equivalent of France. If you took the 10 largest cities in the United States of America, they would be the third largest nation in the world, roughly $5 trillion economy after the $5.9 trillion economy of China and the $14.9 trillion economy of the United States.

The key to those economies is investing in infrastructure, investing in the movement of people and goods. The current extension of the Surface Transportation bill expires on September 30th. The clock is ticking. And we are at a critical fork. We can put people back to work and invest in the infrastructure our Nation and our cities desperately need, or we can lose ground against our competitors in the way that Senator Sanders just said.

Put simply, we cannot afford any cuts to infrastructure spending, and at the very least we must maintain current levels. According to the DOT, a 30 percent reduction in transportation funding would equate to a loss of 630,000 highway and transportation jobs.

So I stand with you, and I know that the mayors across the Country have come out unanimously in support of this effort. A 2-year bill, which would invest about a $109 billion, my recollection is, as Senator Sanders said, when China is investing four times the rate of what the United States is, and what he didn't say is, they are also footing most of the bill for Europe. So Europe is ahead of us, China four and a half times ahead of us, but also funding. What he didn't say is, we are not even competing with the rest of the developing world. Latin America is investing more in infrastructure than we are.

We believe, and the U.S. Conference of Mayors has come out in support, we have said that we can't keep building bridges in Baghdad and Kandahar and not Baltimore and Kansas City. The American people need and deserve a world class infrastructure, which is why we are pleased that our bipartisan America Fast Forward proposal has been included in both the House and Senate bills.

And I too want to acknowledge Chair Mica for his support. It was a great thing to see Senator Boxer, Senator Inhofe, in support, Congress member Mica, Tom Donahue, Richard Trumpka, all in support of the idea that we need to invest in infrastructure and jobs that come with it.

According to the L.A. County Economic Development Corporation, your committee's proposal to increase TIFIA budget authority to a billion dollars has the power to create, just with that alone, 500,000 jobs in just 2 years, and over a million jobs over a 6-year period of time. Why? Because it is a 30 to one leverage with that money. At a time of high deficits and debt, this is the right time to make those kinds of investments. I hope that the Senate and the House will also look, at some point, at a transportation bond program that will help us expand on that effort as well.

There are now 113 bipartisan mayors who have gotten behind this effort. I want to thank all of you for your work. I look forward to working with you to pass this. I hope that this support on a bipartisan basis will bleed through on the many other issues facing the Nation today. America's cities deserve no less.

Thank you very much.

[The prepared statement of Mayor Villaraigosa follows:]

Hearing of the U.S. Senate Committee on Environment and Public Works

Written Testimony of Los Angeles Mayor Antonio R. Villaraigosa

July 21, 2011

Thank you Chairman Boxer, Ranking Member Inhofe, and members of the Senate Committee on Environment and Public Works for the opportunity to testify before you today.

I know I speak for my fellow mayors around the country, Democrat and Republican, when I say that this is a critical moment for our nation. With the very future of federal investment in our transportation infrastructure in question, we're standing at a generational crossroads, and we must think carefully before we choose a path.

It's important to remember, we've faced similar forks in the road. Since 1992, with the Interstate highway system built out, an era of construction that began in 1956 has ended and Congress has been grappling with the question: What next?

As we all know, the national highway network was one of our country's greatest success stories. It connected our markets to the world and won huge economic gains for the whole country, urban and rural. It also ensured a continuing, strong national defense network.

Today Congress faces the same challenge: What now?

What role does the federal government need to play in the maintenance and development of our transportation infrastructure?

More to the point, what improvements do we need to make to our infrastructure to maintain our position as the premier economy in the globalized competition for jobs?

The economic stakes of this committee's answer to this question are, to put it plainly, profound.

In the Los Angeles region, where we unload and transport 41 percent of the nation's shipping cargo, we can testify firsthand: Worldwide competition is demanding greater investment in our infrastructure just to remain competitive – not less.

And yet, in my city, we continue to grapple with growing traffic congestion and the impact this has on mobility and jobs.

Take it from an Angeleno, congestion is a job-killer.

When our infrastructure functions efficiently, employers, big and small, expand their businesses; when congestion and other constraints choke the movement of people and goods, our employers pull up stakes.

We see this in Southern California every day, where there are many benefits for businesses -- an educated and skilled workforce, a substantial highway and rail network and a strong logistics network to support the movement of raw materials and finished products. But our aging infrastructure network suffers famously from capacity constraints and congestion.

The members of this committee know this well. Our cities are the heart, lungs and muscle of the nation's economy.

Our metro areas generate some 90% of our gross domestic product. Next year, they'll account for 86% of all new jobs.

The current extension of the surface transportation bill expires on September 30. The clock is ticking, and we are at a critical fork in the road.

We can put people back to work and make an investment in the infrastructure our nation – and our cities - desperately need to stay competitive, or we can go backward and fall behind.

That is why I support the approach put forward by this Committee because it maintains current funding levels. Any reduction in funding to our nation's transportation programs will deal a devastating blow to local projects, local jobs and the national recovery.

According to an analysis by the Federal Highway Administration, a 30% cut to transportation funding would result in a half-million Americans losing their jobs in 2012 in the highway program alone. An additional 130,000 would lose their jobs due to cuts in transit programs.

We have a crumbling infrastructure system, with over 70,000 of our nation's bridges classified as structurally deficient. The American Society of Civil Engineers study gave our infrastructure a "D" rating, citing $2.2 trillion in unfunded investment needs.

With China investing in infrastructure at four times the rate we are, we can't keep building bridges in Kandahar but not Kansas City.

The American people need and deserve world-class infrastructure. What's more, the nation's mayors believe that creating jobs and building transportation infrastructure is, can and should be a bipartisan issue.

We are pleased that our bipartisan America Fast Forward proposal has been included in both the House and Senate bills.

At its simplest – America Fast Forward is a new way for the federal government to continue to play a critical role in ensuring that we achieve the national goals I have spoken of earlier. The only difference between the 1950s and now is that rather than relying principally on federal grants, state and local governments will have a larger responsibility to finance and pay for their infrastructure. And the federal government needs to provide the necessary financing tools through a new category of tax-preferred transportation bonds and through low-interest loans.

Madam Chair, your committee has identified the TIFIA program as a structure we can adapt for the future to provide flexible low-interest long-term loans for large capital projects and we applaud you for your leadership on this issue.

According to the Los Angeles County Economic Development Corporation, your committee's proposal to increase TIFIA's budget authority to $1 billion annually has the power to create 500,000 jobs in just two years, and well over 1 million jobs over a six year period. As we are all keenly aware, we are faced with anemic job growth. In May, our national economy added only 25,000 jobs and last month that figure dipped to an even more unacceptable level - with only 18,000 jobs created nationwide.

Given that the U.S. economy generally needs to add 125,000 jobs every month simply to keep up with population growth and approximately 250,000 jobs per month to actually bring down our national unemployment rate, the TIFIA proposal you are advancing is just what America needs to get our people back to work.

The second piece of the America Fast Forward initiative is just as critical and without it, we will not reach our national goals in this environment of limited federal resources. That is the creation of a new category of qualified tax credit bonds for transportation infrastructure. These instruments would allow a larger portion of private investors to invest their resources in assets important to our country's economy, while achieving a reasonable rate of return.

I am pleased that the bill unveiled by the Environment and Public Works Committee, under your leadership Chairman Boxer and Ranking Member Inhofe, includes key elements of the America Fast Forward initiative.

America Fast Forward began with 113 bipartisan mayors and has won the support of a wide range of business, labor, and environmental leaders and organizations. This includes support from national leaders such as Thomas Donohue, President and CEO of the U.S. Chamber of Commerce, and Richard Trumka, President of the AFL-CIO.

It will not only increase the pace of job creation, it will give taxpayers more bang for their investment buck by taking advantage of current construction costs. The Phoenix-Mesa, Arizona region will be able to fully fund its program to develop 27 miles of light rail in the next few years — as opposed to the next twenty. In Los Angeles, we can expedite nearly fifteen billion in locally funded transit projects, creating jobs now instead waiting thirty years.

It's also important to note. Financing programs are not earmarks. At a time of limited federal financing, the program creates incentives for local jurisdictions to raise local revenue for local projects. Surely that's the kind of federalism Democrats and Republican can get excited about.

Finally, I want to stress: Mayors understand the political and budgetary realities. In the coming years, the federal role must change from one of being the primary financier and developer of all infrastructure to one where, prudent federal policy will target investments to better connect workers to their jobs and goods to markets.

In the coming years, we must ***invest*** in targeted capacity expansions, new technologies and smarter, more efficient upgrading of existing infrastructure to get the most out of what we have. Working smarter with what we have is the challenge and again the federal role will be critical to achieving this goal.

I understand the calls of those who want to diminish the Federal government's role in building a strong and sustainable highway and transit system; some even argue for complete devolution of the federal role in transportation. I understand the need to cut – but we must be sure that we do not cut off our nose to spite our face.

Members of this distinguished committee, we cannot afford to allow our surface transportation system to fall behind the rest of the world.

Our vast, comprehensive transportation network remains one the nation's chief competitive advantages. Now is the time to reinvest in our physical plant -- to retool America for the competitive global marketplace.

Working with Chairman Boxer and Ranking Member Inhofe over the past year has been a incredibly positive experience, because both of you are so focused on what the American people want – which is more mobility and more private sector jobs for unemployed Americans who have lost their piece of the American Dream.

I encourage you to move forward with this critical legislation and to pass a transportation reauthorization bill as quickly as possible.

Thank you again for the opportunity to testify before your committee today.

Senator BOXER. Thank you, Mayor. And we know that you have to rush off to the airport. Have a safe, good flight.

Our next witness is Mr. Terence M. O'Sullivan, President of the Laborers' International Union of North America. Welcome, sir.

STATEMENT OF TERENCE M. O'SULLIVAN, GENERAL PRESIDENT, LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

Mr. O'Sullivan. Thank you.

On behalf of the working men and women of LIUNA, the Laborers' International Union of North America, I would like to thank you, Chairman Boxer, Ranking Member Inhofe, and all the members of the committee for the opportunity to testify today. Our perspective on critical infrastructure investment is grounded in LIUNA as an organization of a half million men and women who predominantly do the work of building America, our roads, bridges, transit systems and other fundamental pieces of the backbone of our Nation's economy.

Like all Americans, we are concerned about falling behind in the world. We are concerned about China, for example, who investments almost 9 percent of its GDP, or almost $680 billion in infrastructure this year, while we are struggling to patch potholes. Meanwhile, there are 1.3 men and women who are read, willing and trained to rebuild America's crumbling transportation systems, but through no fault of their own are jobless.

The nearly 2 years of delay in passing a robust highway bill is not a recipe for economic growth or competitiveness. It is a recipe for disaster. That is one reason LIUNA is gratified and thankful to testify today and contrast, the outline of your highway bill with the outline put forth by the U.S. House of Representatives.

We join with partners in the environmental community, like the blue Green Alliance, and with the business community, including the U.S. Chamber of Commerce, in pointing out that the House proposal locks in failure for 6 years. In effect, it gives up on America. Likewise, we join with others in praising your political courage and focus on maintaining a foundation for the future which is illustrated by your bipartisan proposal.

I want to emphasize that to have the necessary economic impact, investments must be made through the existing core program and highway trust fund, and that there must be a commitment that any shortfalls do not result in less investment than is currently made.

LIUNA welcomes proposals to leverage more private investments and believes that properly structured, innovative financing mechanisms, such as the Infrastructure Bank, could provide a valuable supplement. But we believe some of these proposals are years away from creating a significant number of jobs.

Like many others, we also believe there must be greater transparency. We have all heard about the bridge to nowhere. But we must remember that there are plenty of bridges to somewhere that are deficient or obsolete. In fact, 4 years after the I–35 bridge collapse in Minneapolis, 27 percent of our bridges still are structurally deficient or functionally obsolete.

In stark contrast to this committee's proposal, the House outline would result in massive job losses, as many as 490,000 lost jobs, related just to highway work in the first year alone. And it would result in a dramatic acceleration of the decline of our Nation's transportation infrastructure. One could argue that those who crafted the House proposal have found the will to justify billions of dollars in tax breaks and loopholes for corporations and the wealthy while cutting investment that all Americans and our economy depends on.

This may be the summer of the blockbuster Harry Potter movie, but a magic wand won't prevent what for so many Americans and for our Nation will be the real deathly hallows, as more jobs disappear, more families suffer and the U.S. falls further behind. Like many Americans, we are frustrated by the inability of some in Washington, DC. to put one and one together and match those who desperately need work with our critical infrastructure needs.

Just last night, I held a conference call with thousands of our members' activists about mobilizing for a highway bill that builds America. We will make sure their voices, their dreams and their hardships are heard loud and clear. LIUNA's perspective is that this is a no-brainer. We can put people back to work, spur economic growth and create real assets for taxpayers and future generations. We can again be the Nation that does big things, even in trying times. We can fulfill our obligation to make sure what we do leaves our Nation better off than the way that we found it.

Chairman Boxer, Ranking Member Inhofe, members of the committee, we can build America so America works. Thank you for the privilege of addressing you today.

[The prepared statement of Mr. O'Sullivan follows:]

Laborers' International Union of North America

LiUNA!

Feel the Power

Testimony of Terry O'Sullivan
General President
Laborers' International Union of North America

Before the U.S. Senate Committee on Environment and Public Works
July 21, 2011

On behalf of the half-million working men and women of LIUNA – the Laborers' International Union of North America -- I would like to thank you, Chairman Boxer, Ranking Member Inhofe and all members of this Committee for the opportunity to testify today.

Our perspective on critical infrastructure investment is grounded in LIUNA as an organization of men and women who do the work of building America's basics – our roads, bridges, highways, transit systems and other fundamental pieces of the backbone of our nation's economy.

Like all Americans, we too are concerned about falling behind in the world. We're concerned that nations such as China are out-investing us three or four to one when it comes to critical infrastructure. We're concerned that other nations are building super-highways and bullet trains while we're struggling to figure out how to patch potholes. Meanwhile there are 1.3 million men and women who are ready, willing and trained to build America's crumbling transportation systems but through no fault of their own are jobless.

Within our organization, one in 10 of our members has lost their home to foreclosure. Work hours have declined by 20 to 65 percent for our members, many of whom due to the lack of work no longer qualify for health insurance benefits.

The nearly two years of delay after delay after delay in passing a full-investment highway bill is not a recipe for economic growth or competitiveness. It is a recipe for disaster.

That is one reason LIUNA is gratified to be asked to testify today and contrast the outline of the bill being considered by this committee with the outline of the bill put forth by the House of Representatives. None of us are pleased to be nickel-and-diming what the American Society of Civil Engineers calls a $2.2 trillion problem when it comes to all infrastructure. LIUNA joins with partners in the environmental community, including the Blue Green Alliance, and with economists and the business community, including the U.S. Chamber of Commerce, in pointing out that the House proposal locks in failure by cutting investment in transportation by a third. In effect it gives up on America.

Likewise, we join with others in praising the political courage, sound reasoning and focus on maintaining a foundation for the future illustrated by your proposal.

In fact, our entire U.S. membership is mobilizing for a highway bill that builds America. Just last night, I held a conference call with member activists from northeastern and mid-Atlantic states. Thousands of our dedicated members joined the call, far exceeding our expectations. We expect tens of thousands of members to volunteer to contact their member of Congress in the coming weeks. We will continue these calls and numerous other activities until we've reached out to members in every state by the beginning of August. We will make sure their voices, their dreams and their hardships are heard loud and clear.

We believe your proposal does retain a foundation for America to move forward.

I want to emphasize that to have the necessary economic impact, these investments must be made through the framework of the existing core program and the Highway Trust Fund, and that there must be a commitment to see that any shortfalls do not result in less investment than is currently made.

And while LIUNA welcomes proposals to leverage more private investments into our transportation networks and believe that a properly structured infrastructure bank could provide a supplement, these proposals are years away from creating a significant number of projects or jobs.

Like many others, we also believe there must be greater transparency so taxpayers know we're getting our money's worth. We've all heard about the bridge to nowhere. But there are plenty of bridges to somewhere that are deficient or obsolete – in fact four years after the I-35 bridge collapse in Minneapolis, more than 161,000 bridges in our country are in need of repair.

In stark contrast to the proposal being considered here today, the House outline would result in massive job losses – as many as 490,000 lost jobs in the first year alone, according to the Federal Highway Administration – and would result in a dramatic acceleration of the decline of our nation's transportation infrastructure. These draconian cuts will result in lost productivity as people and commerce are further delayed by traffic congestion. The House proposal will result in dangerous roads that result in needless deaths, injuries, and property damage, and a continued erosion of state and local economies as needed investment in transportation is shifted to them.

One could argue that those who crafted the House proposal have found the will to justify billions of dollars in tax loopholes for corporations and the wealthy, while cutting investment that all Americans depend on.

According to the FHWA, the result of the House bill would be 21,000 jobs lost in Florida. 43,000 jobs lost in California, 15,000 jobs lost in Ohio, 20,000 jobs lost in Pennsylvania, 13,000 jobs lost in Michigan, 11,000 jobs lost in Indiana and nearly 6,000 jobs lost in Oklahoma. This may be the summer of the blockbuster Harry Potter movie, but a magic wand won't prevent what for so many Americans, and for our nation, will be the real Deathly Hallows as more jobs disappear, more families suffer and the U.S. falls further behind. The House outline is a fundamentally different vision of America and a radical departure from our 235 years as a nation of innovation.

Like many Americans, we're frustrated at the inability of Washington D.C. to put one and one together and match those who desperately need work with the critical infrastructure needs of our nation.

Against the debate about budgets and deficits and debt ceilings, a simple truth is being ignored. Investing in transportation can create economic growth, help balance budgets, and reduce our debt.

Infrastructure investment can help employers compete and grow and hire more workers. And the payback for taxpayers and future generations is solid, while the failure to invest will stall economic growth and result in more deficits in the future.

There is no better time to invest than now while costs are low, working men and women are eager and the needs are great.

Investing in transportation infrastructure can directly create millions of desperately needed jobs – and 90 percent of those jobs are middle class jobs. They are jobs that create paychecks that will quickly circulate and revive local economies.

According to the Political Economy Research Institute, between 1950 and 1979, infrastructure investment clearly correlated with economic growth. During those three decades, public investment in transportation, water resources and energy systems grew at a steady 4 percent rate – and the economy grew at a rate of 4.1 percent. When investment slowed between 1980 and 2007 to 2.3 percent, economic growth fell to 2.9 percent.

Transportation investment in particular also clearly provides indirect economic growth. More than 90 percent of supplies and labor used to build transportation infrastructure is American-made. And as new transportation corridors are developed, economic growth inevitably thrives around them.

Likewise, delaying investment adds to the national debt. President Obama's first chair of the National Economic Council advocated infrastructure investment as a way to create economic growth and because deferring needed maintenance and development imposes rising costs on taxpayers and future generations.

Around the globe, multi-national companies are echoing a common theme about the United States – that to continue to attract international investment in an ever increasingly competitive world, we will have to take bold steps to rebuild our infrastructure. If we don't, global corporations will invest elsewhere.

LIUNA's perspective is that this is a no-brainer. We can invest in critical needs now, cut our debt, put people back to work, spur economic growth and create real assets for taxpayers and future generations.

We can again be the nation that does big things, even in trying times. We can answer this calling from around the corner where our country's future awaits. We can fulfill our obligation to make sure what we do improves our nation and leaves it better off than the way we found it. We can build America so America works.

Thank you for allowing me to address the Committee today.

Senator BOXER. Thank you, President O'Sullivan. I just hope that this phone call that you had with all those workers will continue, because we need the people to communicate with those on the Finance Committee on both sides of the aisle and this committee that you really need us to do this. A lot of you said it took courage for us to come together. We need to have you in the background with a loud voice. So thank you for that.

Mr. O'Sullivan. Thank you.

Senator BOXER. And our next speaker, Donald James, Chairman and Chief Executive Officer of Vulcan Materials. You had a fabulous introduction from Senator Sessions. We welcome you.

STATEMENT OF DONALD M. JAMES, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, VULCAN MATERIALS

Mr. JAMES. Thank you, Chairman Boxer and Ranking Member Inhofe, for the invitation to testify today.

As Senator Sessions said in his gracious introduction, Vulcan Materials is the largest producer of construction aggregates in the United States. We are here today to address the critical situation with respect to the Federal aid highway and transit programs that exist in this Country, specifically with respect to the next 2 years, fiscal years 2012 and 2013.

At the outset, let me say that it is our view that highway and transit programs were not created by Congress for the purpose of providing jobs. Although they do in fact do a really great job of providing jobs, the real purpose of the program is bigger and much more important than that. It is to provide the Nation with Transportation infrastructure that is essential to the efficient functioning of the U.S. economy. Transportation infrastructure is a basic and fundamental good. Every man, woman and child in this Country is a direct beneficiary of Federal investment in infrastructure, as is every business in this Country.

Providing that transportation infrastructure, properly maintaining and sustaining it, is a core Federal responsibility. The lifeblood of the U.S. economy flows through our transportation system. In funding it, Congress provides a critical public benefit that extends decades beyond the construction project. Our Nation's economic competitiveness, our economy's growth and the creation of jobs year after year are directly correlated to the health and quality of our infrastructure.

For example, our Nation's roads and bridges move close to $40 billion worth of goods every day, but could move significantly more were it not for traffic congestion, which costs our Nation $87 billion annually. The construction sector of our economy that implements this core responsibility will be severely tested in fiscal years 2012 and 2013. The downturn in the economy has placed historic economic stress on the businesses that build and maintain our transportation system. Commercial and residential construction in the U.S. has dropped 75 percent to historic lows. Short and medium term prospects for improvement remain bleak.

Aggregate volumes at Vulcan are down 50 percent. Our employment has dropped by 30 percent. Transportation infrastructure construction is the one somewhat stable construction sector in the U.S. economy today. The annual Federal funding for infrastructure has been vitally important, while at the same time enhancing economic efficiency nationwide.

Congress wisely chose to maintain the Fiscal Year 2010 baseline for Fiscal Year 2011 Federal highway programs, even while reducing spending in other areas. As a result, many U.S. companies did not have to lay off even more employees as a direct result of these cuts. Instead, they have been able to continue providing the public and economic benefits that the transportation and construction industry produces.

Throughout the recession, we have of necessity had to reduce our work force and have taken additional measures to size our company to meet the current economy. You face similar challenges in reducing the size of government. When we reduced our company's size and the number of our employees, we had an obligation to do it in a way to preserve our company and to position it for future growth. The cuts and layoffs were painful but strategic, designed to ultimately make us stronger and better. If we had ignored this core responsibility and cut arbitrarily across the board, we would have damaged our ability to grow, to rehire our employees, to survive and flourish again as a leading U.S. company.

In roughly 10 weeks, the current authorization will expire. It is critical to determine now what size Federal program is required to maintain the Nation's transportation infrastructure in order to grow the economy. We strongly support the funding on a bipartisan level at the current baseline to continue Congress' long commitment to this core responsibility.

Our Nation is at a critical crossroads economically. I ask you to consider the great importance of prioritizing spending cuts in a way that preserves the Nation's potential for economic growth. Your bipartisan decision on the baseline determine whether we can begin to climb out of this recession and rebuild our work forces or experience further decline and lose more employees during fiscal years 2012 and 2013. Our Nation's ability to grow economically, to continue to create additional taxpayers, will be subverted if we do not maintain the baseline.

We have all heard that the job loss, if we do nothing more than fund construction at the current gas tax receipts, we will lose hundreds of thousands of jobs all across this Country. As bad as this is, the true calamity will occur in the ongoing national economic impairment, of which there are few if any existing and accepted metrics.

Our ability to produce and export U.S. products efficiently is directly tied to the quality of our highway infrastructure. Absent adequate funding, we will experience the corrosive consequences of competitive losses. As we have all heard today from other witnesses and from members of this committee, the infrastructure investments that China, India, the European Union, Brazil, Canada are making in their infrastructure. It will be prudent to avoid these consequences of loss of competitiveness before they occur.

Bipartisan congressional support will ensure the public good transportation infrastructure that enabled us to become the greatest economy in the world and which can preserve that status for future generations. Thank you very much.

[The prepared statement of Mr. James follows:]

Testimony As Submitted

Donald M. James – Chairman and Chief Executive Officer
Vulcan Materials Company

Hearing on

July 21, 2011

Mr. James: Thank you, Chairman Boxer and Ranking Member Inhofe for the opportunity to testify here today. I am Don James, Chairman and Chief Executive Officer of Vulcan Materials Company. Vulcan is the largest producer of construction aggregates in the nation, primarily crushed stone, sand and gravel, and a significant producer of asphalt mix, concrete and cement. Our products build highways, roads, bridges, and other large infrastructure projects in America. Through its economic, social and environmental contributions, aggregates production helps create sustainable communities and is essential to the quality of life Americans enjoy.

Vulcan Materials has been publicly traded on the New York Stock Exchange since our founding as a public company more than 50 years ago. We are an S&P 500 Index company. Vulcan employees and our more than 475 operations serve customers in 24 states and the District of Columbia

Vulcan has been named multiple times to *Fortune* magazine's list of the World's Most Admired Companies. Over the past decade, Vulcan has also been recognized twice as one of the Top 10 of all Fortune 1000 companies for Social Responsibility. During the same period, Vulcan has been named to Fortune's Top 10 list in two other categories, "Use of Corporate Assets" and "Long-Term Investment".

Today I am representing our employees and their families, our customers and our shareholders, regarding a matter of vital importance to us and the nation: namely the federal-aid highway and transit programs, and specifically the critical situation with respect to Fiscal Years 2012 and 2013.

At the outset, let me state our view that the highway and transit programs were not created by Congress for the purpose of providing jobs. Although they in fact do that in a very significant way, the real purpose of the programs is far bigger and more important: It is to provide the nation with transportation infrastructure that is essential to the efficient functioning of the U.S. economy. Transportation infrastructure is a basic and fundamental public good. Providing it, and properly maintaining and sustaining it, is a core federal responsibility. The lifeblood of the US economy flows through this transportation system. In funding it, Congress provides a critical public benefit that extends well beyond the completed construction project and the people who use it. Every person and business in the nation relies in countless ways on our transportation infrastructure. Our nation's economic competitiveness, our economy's growth and the creation of jobs year after year are directly correlated to the health and quality of our infrastructure.
For example, our nation's roads and bridges move close to $40 billion worth of goods daily, but could move significantly more were it not for traffic congestion – which costs our nation $87 billion annually, according to the Texas Transportation Institute.

The construction sector of our economy that implements this core responsibility will be severely tested in FY 2012 and 2013. The downturn in the economy that began in the fall of 2008 has placed historic economic stress on the businesses that build and maintain our transportation system.

The sector continues to confront a unique set of persistent, negative trends. From the fall of 2008 to today, commercial and residential housing construction have reached historic lows. Short and medium term prospects for improvement remain bleak. From the peak of economic activity before the recession, aggregate volumes at Vulcan are down 50 percent and employment at Vulcan of approximately 11,000 employees has dropped by almost 30 percent. Transportation infrastructure construction is the one *somewhat* stable construction sector in the U.S. economy today. For our company and many other U.S. businesses, the annual federal funding apportionments for infrastructure have thus been a critical source of economic activity, while at the same time enhancing economic activity nationwide.

Congress wisely chose to maintain the FY 2010 apportioned baseline for FY2011 for the federal transportation infrastructure programs even while reducing spending in other areas. As a result, many U.S. companies did not have to lay off even more employees as a direct result of cuts, and have been able to continue providing the public and economic benefits that transportation construction produces.

Throughout the recession we have of necessity reduced our workforce and have taken additional measures to size our company to match the economy. You face similar challenges to reduce the size of government. When we reduced our company's size and number of our employees, we had a deep obligation to preserve our company and position it for future growth. The cuts and lay-offs were painful but strategic – designed to ultimately make us a stronger and better company. If we ignored this core responsibility and cut arbitrarily we would have damaged our ability to grow, to re-hire employees, to survive and flourish again as a leading U.S. company.

In roughly 10 weeks the current authorization for the federal transportation infrastructure programs will expire as Fiscal Year 2012 begins. It is critical to determine now what size federal program is required to maintain and sustain the nation's transportation infrastructure in order to grow the economy. We strongly believe that FY 2012 and 2013 must at a minimum be funded on a bipartisan basis at the current law baseline in order to continue Congress' longstanding bipartisan commitment to this core responsibility.

Our sector is at a critical crossroads economically. I ask you to consider the great importance of prioritizing spending cuts in a way that preserves the nation's potential for economic growth at this critical time in our history. Your bipartisan decision on the baseline determines whether we can begin to climb out of recession and rebuild our workforces, or experience further decline and lose more employees during FY12 and 13.

But it is not just our sector of the economy that is at a crossroads. Our nation's ability to grow economically, to create jobs – to create additional taxpayers– will be subverted if we do not maintain the baseline. Using existing, accepted metrics, we can project the direct job losses that will occur if the federal transportation infrastructure programs are reduced in size to only the current revenue flowing into the Highway Trust Fund – a funding source last addressed by Congress in 1993. In our home state of Alabama the direct job loss will be more than 8,000 for FY2012. For the states represented by members of this Committee, the job loss in FY2012 will be over 140,000, and for all fifty states it will be well over 400,000 jobs lost. The Federal Highway Administration estimates the number of jobs lost at 490,000.

As bad as this is, the true calamity will occur in the ongoing national economic impairment for which there are few, if any, existing and accepted metrics. Our ability to produce and export U.S. products efficiently is directly tied to the quality of our highway infrastructure. Absent adequate funding, we will experience the corrosive consequences of competitive losses to China, to India, to the European Union, to Canada right next door, and to countries in South America, all of which continue to make strategic infrastructure investments – honing their competitiveness and national strength.

It will be prudent to avoid these consequences before they occur. Particularly in times such as today, bipartisan Congressional support will ensure the public good – transportation infrastructure – that enabled us to become the greatest economy in the world and which can preserve that status for future generations.

Senator BOXER. Thank you for your eloquent statement.

We are happy to welcome back Susan Martinovich, Director, Nevada Department of Transportation, on behalf of the American Association of State Highway and Transportation Officials. And I want to thank again your organization for being part of this great coalition that is behind our bipartisan approach.

STATEMENT OF SUSAN MARTINOVICH, P.E., DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Ms. MARTINOVICH. Thank you, Senator.

Good morning. I thank you for the opportunity on behalf of State DOTs to share our views on surface transportation reauthorization and the bill summary that you recently released. On behalf of AASHTO, I would like to express gratitude to you, Madam Chair, Senators Baucus, Inhofe and Vitter, for your leadership in advancing a bipartisan reauthorization measure. We do recognize that in this time of economic and fiscal distress, producing a bipartisan bill required tremendous compromise on all sides. And we truly applaud your efforts.

Your proposal merits our strong support. If it succeeds, over 500,000 jobs will be saved and hundreds of projects vital to America's competitiveness will be made possible.

Let me make three brief points on your proposal. First, the Fiscal Year 2012 budget resolution approved by the House in the past spring would lead to an almost 35 percent cut in Federal and highway transit funding. This has been mentioned, that it would have a devastating effect on many State transportation programs.

In Nevada, this would result in a $122 million cut in funding next year, with a major impact, one of those impacts being our Project Neon, which is scheduled to begin construction in 2013. This is a $1.7 billion reconstruction project on InterState 15 in downtown Las Vegas. The I–15 is a major corridor, multi-State corridor for east-west goods movement for the Country. And a $122 million cut to our program would delay that start date.

But it is not about the start date. That is important. But it is also about people. There are developers, there are businesses, there are individual homeowners whose lives are on hold and in limbo, waiting to see if we have the funding to acquire their property or to even start the project.

We understand that in order to maintain the current funding levels, a revenue gap of approximately $6 per year is most likely needed to be filled. And we urge the Senate Finance Committee, working with your committee, to find that offset in revenues to fill the gap. And we recognize the current Highway Trust Fund revenue limitations, but advise that it is absolutely essential to maintain current funding levels. We need this not only to sustain hundreds and thousands of jobs and to keep essential transportation projects moving, but what has also been said, it is for the economy of this Country.

Second, States have a critical need for program stability and the certainty to plan, develop and construct transportation projects. Without this, the States could have to avoid risk by deferring investments in major multi-year projects. Simply put, States will not advance the first phase of a project if funding required to complete the project is not available in subsequent years.

So with major projects deferred, construction companies will not make the material and equipment investments, they will be forced to further cut their work force. And this trickles down to even more jobs and businesses that indirectly support the construction industry.

So while States would prefer a 6-year reauthorization bill, a 2-year bill provides the opportunity to advance toward that long-term goal. And it is a vast improvement over the uncertainty of the month to month extensions that we have had over the past 2 years.

Third, the State DOTs have been advocating many of the policy reforms similar to those proposed in your legislation. We recognize that the provisions in your bill reflect many of the compromises from all viewpoints. And we thank you for that spirit of cooperation.

It appears from our review that we are in agreement where some of the key policy reforms are needed: program consolidation and flexibility, the use of performance measures, expansion of innovative finance and further streamlining to accelerate project delivery. There are two policy reforms we are especially supportive of, and that is the enhancement and expansion of the TIFIA loan and loan guarantee program. However, I do want to caution that innovative financing mechanisms, including infrastructure banks, are valuable financing supplements. But they cannot replace the need for funding of the base program.

We are also supportive of provisions to reduce bureaucratic hurdles for projects with no significant environmental impacts and provisions to accelerate projects approved within specified deadlines. We hope your bill will also encourage increased cooperation with the regulatory agencies. And I want to emphasize here that we strongly believe that at constant or reduced funding levels, Congress should be even more aggressive in removing regulatory burdens and providing States with greater flexibility to deliver projects.

Finally, I would like to reiterate what I said at the beginning, that we believe a bipartisan measure, which has been a cooperative effort between you, Madam Chairman, and Senators Baucus, Inhofe and Vitter, merits our support. Investment in transportation truly is an investment that is immediate and has long-term benefits to this Country. We respectfully urge you to continue this bipartisan effort and thank you very much.

[The prepared statement of Ms. Martinovich follows:]

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

AASHTO

THE VOICE OF TRANSPORTATION

TESTIMONY OF

THE HONORABLE SUSAN MARTINOVICH

DIRECTOR
NEVADA DEPARTMENT OF TRANSPORTATION
AND
PRESIDENT, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

ON BEHALF OF

THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

REGARDING

Legislative Issues for Transportation Reauthorization

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

JULY 21, 2011

American Association of State Highway and Transportation Officials♦444 North Capitol Street, N.W., Suite 249, Washington, D.C. 20001♦202-624-5800

Madam Chair Boxer and Members of the Committee, thank you for the opportunity to share our views on the multi-year surface transportation bill which you released last week. My name is Susan Martinovich. I am Director of the Nevada Department of Transportation and President of the American Association of Highway and Transportation Officials (AASHTO). I am testifying on behalf of AASHTO which represents the state departments of transportation (DOTs) of all 50 states, Washington, D.C. and Puerto Rico.

First, I would like to thank you Madam Chair along with Senators Baucus, Inhofe and Vitter for advancing a bipartisan reauthorization measure that sustains federal assistance at current levels for the next two years. We recognize that in this time of economic and fiscal distress, that producing a bipartisan bill requireds tremendous cooperation on all sides and we applaud your efforts. Without a bipartisan agreement, we simply do not see how it will possible to achieve the goal of getting a reauthorization bill enacted this year. Thank you, Senators, Baucus, Inhofe and Vitter for your leadership and commitment.

Your proposal, ***Moving Ahead for Progress in the 21st Century*** or MAP-21, merits our strong support. If it succeeds, over 500,000 jobs will be saved and hundreds of projects vital to America's competitiveness will be made possible.

Today, I would like to focus my testimony on three points:

1. We understand that in order to maintain current funding levels, a revenue gap of approximately $6 billion per year must be filled. We urge the Senate Finance Committee working with your Committee to find the offsets and revenues to fill that gap. The ability to maintain current funding levels is essential to sustaining existing transportation capital program and projects as well as more than 500,000 jobs.
2. The state DOTs have a critical and immediate need for the program stability and certainty that will come from a multi-year surface transportation reauthorization measure. While the States would prefer a six-year reauthorization bill, two years of stability is a vast improvement over what we have had with six extensions over the past two years.
3. The state DOTs have been advocating policy reforms similar to those proposed in your legislation. We recognize that the provisions in MAP-21 reflect many compromises from all viewpoints. We look forward to working with you and your staff on the detailed provisions to ensure the most effective, practical and workable approaches to ensure success of these reforms. And I want to reiterate the need for a bipartisan agreement in order to move forward with this bill.

Transportation investment at current levels will sustain 500,000 jobs and leave behind long lasting transportation assets.

Overall unemployment remains above 9%, and unemployment in the construction industry continues above 16%. Transportation investment is essential to meeting today's key national priorities: sustaining an export-led economic recovery, growing private sector jobs, reducing the deficit and national debt, and keeping jobs in America.

Madame Chair, simply put, we need to at least maintain current funding levels in order to sustain over 500,000 jobs while we leave behind transportation assets that will be critical to the long term economic competitiveness of our country. We thank you and the leaders of your Committee for remaining committed to this goal.

Transportation investment creates and sustains good paying direct construction jobs and leaves behind long lasting transportation assets; it boosts the competitiveness of all economic sectors – for example, manufacturing, travel and tourism and services, and agriculture; and it represents almost 9 percent of our GDP. While the nation has a severe fiscal deficit, we also have an infrastructure deficit that should not be exacerbated with further disinvestment in our nation's transportation infrastructure.

The Federal Government and the States are struggling with unprecedented fiscal challenges. The Congress and the Administration are now engaged in critical deliberations over strategies to address the budget deficit and corresponding negotiations over raising the $14.3 trillion debt ceiling. The States, most of which are required to have a balanced budget every year, have coped with falling revenues by spending reductions and increases in fees and taxes. Emergency funding provided through the American Recovery and Reinvestment Act of 2009 (ARRA) helped States avoid even more draconian cuts, but these funds have largely been spent. The outlook for economic recovery in the States, which historically lags behind any national economic recovery, remains uncertain at best.

Clearly the nation has a severe fiscal deficit, but we also have an infrastructure deficit that should not be made even worse with further disinvestment in our nation's transportation infrastructure. Two Congressionally appointed commissions determined that the U.S. is currently investing at 40% of the level needed. Investment in our transportation infrastructure is more than just a discretionary expenditure – rather, it is an investment in the long term capital assets that are the foundation supporting all sectors of our economy.

Over the short term, transportation investment can be an important contributor to sustaining economic recovery and creating or preserving good-paying construction jobs while leaving behind infrastructure improvements that bring long-lasting benefits to the economy.

Madame Chair, the FY 2012 Budget Resolution approved by the House of Representatives this past spring would lead to a 36 percent cut in federal-aid highway and transit funding. This would have a devastating effect on many state transportation programs.

In Nevada, this would result in a $122 million cut in funding next year with major impacts. For example, we are currently scheduled to begin construction in 2013 on "Project Neon", a $1.7 billion major reconstruction project on Interstate 15 in downtown Las Vegas. A $124 million cut in our program next year would force us to delay our scheduled 2013 start date. Cuts of this magnitude would also restrict our bonding capability, causing delays and major cutbacks to our capital program.

While we need stability now, over the longer term, we must confront the infrastructure deficit and address the respective roles that all levels of government and the private sector must and can play in ensuring a modern and well performing transportation system as the underpinning of our economy. We believe it is essential that the federal government maintain its level of capital investment in our highway and transit systems. Currently, the federal government contributes approximately 45% of the capital investment in highways and transit, and 27% of overall investment. Over the longer term we need to find the path to sustain that level of contribution. Over the shorter term, we need at least to maintain current funding.

However, we clearly understand that in order to maintain current funding levels, a revenue gap of approximately $6 billion per year must be filled. We urge you to find the offsets and revenues to fill that gap so your bill can maintain current funding levels.

We must have a stable and predictable surface transportation reauthorization bill

Established in 1956 to fund the Interstate Highway System, the Highway Trust Fund is the principal source of funding for Federal investment in surface transportation infrastructure. Supported by a dedicated stream of user revenue, the Trust Fund allows Congress to finance surface transportation programs through the use of contract authority, which allows for commitments to be made in advance of appropriations. This provides the stability and predictability that are essential to the success of long-term capital programs. States and local governments are then able to execute long-term planning and multi-year construction contracts based on that stability and predictability.

In order to effectively plan, develop, and construct transportation projects, funding for highway and transit programs must be predictable over time. The multiyear approach to funding transportation improvements is necessary because of the length of time it takes to build capital projects. Simple capital improvements generally take one to two years to complete from the time initial plans are prepared, through project development, to the end of construction. Complex projects take longer, sometimes many years, to complete.

Without predictable and stable funding, State departments of transportation will have to avoid risk by deferring investments in major, multi-year projects. Simply put, states will not advance the first phase of a project in a particular year if the funding required to complete the project will not be available in subsequent years. With major projects deferred, construction companies will not make material and equipment purchases and will be forced to further contract their work force. The economic consequences are both short-term as economic recovery stalls and longer term as we fail to modernize our transportation infrastructure. Therefore, a two-year bill provides the opportunity to advance toward that long-term outcome.

While the States would prefer the more typical six-year reauthorization bill, two years of stability at current funding levels is a vast improvement over what we have had with six extensions over the past two years. This provides the opportunity to make a down payment on the long-term bill the States need. We thank you for your recognition of the need for long-term stability while addressing the need for maintaining current funding levels over the short-term.

Principles for Well-Funded Multi-Year Reauthorization of Federal-Aid Surface Transportation Programs

A modern, well-performing surface transportation infrastructure that is responsive to changing demographics and economic conditions is critical to enabling virtually every sector of the U.S. economy to operate, grow and compete successfully in today's global marketplace. Ultimately, a multi-year surface transportation program must be delivered in partnership with state and local governments, be designed to focus investments on national priorities, and be sufficiently funded to ensure that the U.S. surface transportation network meets the demands of a growing population and economy.

In order to achieve this vision, some key policy reforms are necessary – program consolidation, establishment of performance measures, expansion of innovative finance, and further streamlining to accelerate project delivery. We recognize that the provisions in your bill reflect many compromises from all viewpoints. We look forward to working with you and your staff on the detailed provisions to ensure the most effective, practical and workable approaches to ensure success of these reforms.

We believe the following components, which we believe should be contained in the reauthorization bill to help achieve policy reform, are consistent with many of the provisions contained in your bill –

❖ **Program Consolidation and Flexibility**

Since 1956 when President Eisenhower launched the construction of the Interstate Highway System, each successive reauthorization bill brought incremental changes to the federal-aid highway program steadily adding new apportioned and discretionary programs. In addition, the number of project earmarks grew exponentially over the last three reauthorization measures. The result has been that less of the total available dollars are distributed by formula to the states, the plethora of program categories limits state discretion in how funds are directed, and fewer dollars are inefficiently spread across approximately 125 program categories. In essence, the overabundance of priorities as expressed by the number of program categories dilutes a national focus and limits state flexibility.

If federal funding for highway programs is at levels substantially below what is needed just to keep pace with the loss of purchasing power since the last motor fuel tax increase in 1993, then –

- Core apportioned programs should be consolidated to achieve greater efficiency and flexibility in the use of funds
- National discretionary programs should be consolidated and funding levels should be consistent with the overall goal of distributing at least 90% by formula through core highway programs.
- A consolidated program structure should expand eligibility and provide greater flexibility to the states to determine how best to invest the limited resources.

- With fewer federal resources, federal regulations and mandates should be reduced, not expanded.

These recommendations are consistent with what has been outlined in the summary of MAP-21 which we understand was prepared with the approval of Senators Baucus, Inhofe and Vitter.

❖ **Innovative Finance**

If we are to have a national transportation system, it is imperative that the Federal government play a strong role. Over the last decade the federal share of highway and transit capital investment has averaged at around 45 percent. There have been a series of authoritative studies which have documented how much the U.S. needs to be spending on surface transportation overall.

The National Surface Transportation Policy and Revenue Study Commission was authorized in SAFETEA-LU, appointed in 2006, and delivered its report in 2008. It found that the U.S. needs to be investing $225 billion annually in highways, transit and rail over the next twenty years but is investing at only 40% of that amount. In 2009, AASHTO published its Bottom Line Report which determined that to improve the highway system the U.S. needs to invest $166 billion per year compared to the $80 billion we are currently investing; to improve the transit system the country needs to invest at $59 billion per year compared to current capital spending of around $15 billion. The latest Conditions and Performance Report for Highways and Transit published by U.S. DOT in January, 2010, based on 2008 data, made the following determinations: to improve the system highway investment needs to increase to $174.6 billion annually; to improve the transit system $21.1 billion needs to be invested annually.

While it is helpful for these reports to document what is needed, it is not realistic that in these economically distressed times to expect that Congress will find it possible to substantially increase the federal investment in highways and transit. The states are faced with the same set of economic circumstances. In the last few years, only a very few states have increased funding for transportation. Therefore, the needs-investment gap is growing. Programs such as the TIFIA program and other Federal credit programs can add additional financing to supplement the traditional funding mechanism, but they are not sufficient to close the dramatic funding gap between current investment and needs. We will need new revenue in addition to expansion of the innovative finance programs.

As a way to stretch all available dollars, AASHTO recommends that the states be given maximum access and flexibility to use a mix of funding and financing tools most appropriate for each state to advance transportation programs. This includes use of public-private partnership opportunities that combine the management efficiency and innovation of the private sector with public sector social responsibility and job generation concerns. In addition we recommend reform and expansion of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to broaden the availability and enhance the attractiveness of TIFIA credit assistance. This includes increasing funding for the TIFIA program and expanding the portion of project cost that can be supported by TIFIA from 33 to 50 percent. We also recommend removing federal limitations on the ability of state and local governments to raise toll revenues and to apply such revenue to multimodal transportation projects and activities within the same corridor or region as the tolled facility.

Madame Chair, these recommendations are consistent with the description of proposed enhancements and expansions to innovative finance described in the summary of MAP-21.

❖ **Performance**

The next multi-year federal surface transportation program reauthorization must transition to a performance-based program, designed to achieve focused national objectives and demonstrate value and accountability, with these features:

- Objectives of genuine national interest, including preservation and renewal, reducing congestion, improving safety, facilitating domestic and international freight movements, enhanced mobility and accessibility in urban and rural areas, protecting the environment.
- U.S. DOT *in partnership* with the states, regional agencies and local governments undertake a process to determine performance goals and measures, performance measure data collection and reporting;
- States in partnership with their MPOs and transit operators set performance targets, plan and select projects based on a performance management process aligned with national objectives, and track and report progress.

Based on what you have outlined in your bill summary, we believe that the performance-related provisions contained in your bill will advance the state of the practice and more broadly institutionalize performance measurement and performance-based investment decisions. We hope to work with you to ensure a workable, practical and effective performance approach.

❖ **Balance**

The next multi-year federal surface transportation program reauthorization must define a comprehensive and balanced strategy to confront national surface transportation needs and include:

- Highest possible federal investment in both highway and public transportation improvements;
- Flexibility to address transportation challenges unique to metropolitan, suburban and rural areas; and
- Support for system preservation and needed capacity for all transportation modes.

We urge that in finalizing the details of your proposed surface transportation bill that you will seek to achieve an appropriate balance among modes, among geographic areas and between system preservation and new capacity needs.

❖ **Project Delivery**

The environmental review process has been – and continues to be – a major contributor to the delay in moving projects from conception to completion. The Federal Highway Administration estimated the average time required to complete Environmental Impact Statements (EIS) between 1999 and 2010 as ranging between 63 and 83 months; approximately 5 to 7 years.

Streamlining measures in SAFETEA-LU have yielded measurable benefits, but the project delivery process is still far too complex, costly, and lengthy. There is much more progress to be made: additional efforts are needed to further streamline project delivery.

AASHTO has recommended that streamlining measures in the surface transportation reauthorization bill (1) improve on the streamlining measures enacted in SAFETEA-LU and (2) include additional measures that will further streamline project delivery.

Areas where we believe we can make gains in accelerating project delivery include, for example:

- Expand the SAFETEA LU Pilot Delegation Program to all states and create a new pilot program that will allow State DOTs totake on an increased role in the NEPA process (e.g., document preparation, agency coordination, and public involvement) without taking over USDOT's authority to issue NEPA decisions.
- Further clarify and update NEPA implementation by, for example, allowing planning level analyses and decisions to be used in the NEPA process; allowing a combined Final EIS and Record of Decision document; clarifying the role of the lead agency; allowing for the creation of a categorical exclusion for projects constructed solely within the existing right-of-way and establishing decision deadlines.
- Authorize and encourage the use of federal funds for programmatic mitigation measures, rather than determining mitigation on a project-by-project basis.
- Allow the use of federal funds for acquisition of right-of-way acquisition prior to NEPA completion with appropriate limitations to ensure the integrity of the NEPA process.
- Allow greater flexibility for using proprietary products in Federal-aid contracts when no equally suitable alternative products are available.
- "Defederalize" very small projects by allowing projects that do not exceed a set total dollar cost or project cost percentage threshold to be administered under state procedures rather requiring them to meet all federal title 23 requirements.

I also want to stress that federal funding for transportation at current levels or even decreased levels in terms of real values should not be accompanied by increased regulation and additional mandates. We strongly believe that at constant or reduced funding levels, Congress should be even more aggressive in removing regulatory burdens and providing the states with even greater flexibility.

Based on the summary of your bipartisan bill, we applaud the cooperative efforts that we believe you and your colleagues have made toward accomplishing the goal of further accelerating project delivery.

❖ **Governance**

The concept of a federally-assisted, state-administered program has served us well and should remain as the focus for the next reauthorization.

The federal interest in transportation is broad-based, reflecting the need to integrate transportation goals with broader national economic, environment and social considerations. The federal role should be to define these broad national goals that are transformed, together with sufficient funding, into a transportation programmatic structure which is implemented and administered at the state and local level.

The current partnership among the federal, and state, and local governments should remain in place to ensure that state and local transportation decisions are made by parties closest to the transportation users of the system and will best reflect the unique needs of the particular states and communities.

We are hopeful that the detailed provisions of your bipartisan bill will be consistent with principles of federalism and the reflect the need for a strong federal-state-local partnership in delivering a national surface transportation program

Conclusion

Madame Chair and Committee Members, we applaud your leadership along with your colleagues, Senators Baucus, Inhofe and Vitter, in advancing a bipartisan surface transportation reauthorization bill. Based on the summary you have shared with us, we believe that you and your Committee leadership have cooperated in developing an excellent foundation for the negotiations which lie ahead. We look forward to assisting you in your efforts. Thank you and I look forward to answering any questions you may have.

Senator BOXER. Thank you.

And now we call upon Hon. Gary Ridley, Secretary of the Oklahoma Department of Transportation. Senator Inhofe has given you a very warm introduction. We welcome you.

STATEMENT OF HON. GARY RIDLEY, SECRETARY, OKLAHOMA DEPARTMENT OF TRANSPORTATION

Mr. RIDLEY. Madam Chair, members of the committee, my name is Gary Ridley. I am Secretary of Transportation in Oklahoma. And I am here today to testify on behalf of the Oklahoma Department of Transportation.

First, we want to thank you, Madam Chair, along with Ranking Member Senator Inhofe and the other members of the committee for your leadership and efforts to sustain funding levels and increase the efficiency of delivering the transportation projects in the reauthorization.

As we consider the deficiencies of our national transportation system in the next highway bill, we recognize the challenges faced by Congress are significant. Transportation departments across the Country are hopeful that Congress can make every effort to at least fund the transportation at historic levels.

However, we are acutely aware of the difficulties that are presented by the limitations of the projected highway trust fund revenue. Your work to find ways to benchmark investments and direct more transportation dollars to the core infrastructure is appreciated.

When considering a reduced Federal funding projection, none of the critical needed Transportation projects currently being prepared for delivery in Oklahoma can be held harmless in the rebalancing of our fiscally constrained construction work plan. In addition, your renewed focus on core transportation infrastructure and your review and consolidation of programs that mandate the commitment of the highway trust fund dollars to fringe activities is welcome.

If eligibilities are retained, the decision to commit transportation resources to these activities should be left to the States alone. Even more so when our State and Federal budgets are under extreme pressure and our performance is proposed to be measured by key outcomes, such as reducing fatalities, improving bridges and fixing roads and reducing congestion.

The utilization of Garvey, TIFIA, public-private partnerships, Build America bonds, infrastructure banks and other such methodologies that have proven effective in financing certain and well-defined transportation systems. However, we should be mindful that none of these financing opportunities provide new revenues or sustainable long-term funding. It is important to ensure that financing options are not held as the Federal Government's best or only solution to stem the further decline of our national transportation system.

The Nation requires new and effective transportation revenue streams, but does not need new encouragement to incur additional debt. Extreme care must be exercised when considering such programs in order to avoid over-projecting and over-extending our limited resources.

States should not be left to bear the financial burden of a national Transportation system alone. We recognize that a consistent authorization with reasonable funding commitment and a term that extends beyond the reach of the endless extension acts, while the complete fiscal resolution of our national Transportation funding crisis may not yet be at hand, the value of the legislation provisions proposed to facilitate a more effective project and program delivery system should not be discounted.

Reducing environmental hurdles for projects that have no significant environmental impacts will be extremely beneficial. For example, the last 3 years, we let the contract almost 200 routine projects that were less than $5 million cost. All these projects required NEPA documents that typically took 30 to 180 days to complete. Assuming that such projects would meet the criteria for expedited process or a complete NEPA exemption, then Oklahoma would have had the opportunity in many cases to reduce the process cost and shorten the project delivery time on each by a like amount.

The introduction of these ideas is a giant step in the right direction. The preparation efforts and time saved to deliver projects that meet defined criteria will not only translate as a cost and time saving to the agency, but will accelerate a direct user benefit to commerce and the traveling public. Also, the State and Federal regulatory resources and lead agencies will have the opportunity to focus more of their internal resources on progressing other, large scale proposed Transportation improvements in a more timely and effective manner.

However, even as some progress is evident, we have recently become aware that the EPA and the Corps of Engineers are seeking to expand their jurisdictional authority over new waters through issuance of clarification guidelines. Such guidelines are greatly concerning, as more and more regulation creeps into the simple drainage ditches and minor tributaries that were long considered non-jurisdictional.

In Oklahoma, Corps of Engineers-issued permits and mitigation members approval is becoming more and more difficult to obtain in a timely manner, due to the resources strain on the existing broad jurisdictional assertion. This situation can only be exacerbated by the expanded jurisdictional authority under the proposed guidelines. Regulatory guidelines should not overState the law, should be easily manageable by the responsible agency with the resources anticipated to be available, and above all, should be determined reasonable by State governments and by the private sector.

It is critical that a balance is maintained that a project's environment does not restrict the delivery of critical needed safety and condition-related improvements or the economic growth and competitiveness and development of our Nation.

Thank you, Madam Chair, Ranking Member Inhofe, for the opportunity to testify. We are grateful to the efforts of the committee and Congress to craft and fund a transportation compromise that will carry us to a multi-year authorization. I will be glad to answer any questions.

[The prepared statement of Mr. Ridley follows:]

TESTIMONY OF

THE HONORABLE GARY RIDLEY

SECRETARY OF TRANSPORTATION
STATE OF OKLAHOMA

REGARDING

"LEGISLATIVE ISSUES FOR TRANSPORTATION REAUTHORIZATION"

BEFORE THE

UNITED STATES SENATE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

JULY 21, 2011

Madam Chair, Senator Inhofe and Members of the Committee, my name is Gary Ridley. I am Secretary of Transportation in Oklahoma. I am here today to testify on behalf of the Oklahoma Department of Transportation.

First, we want to thank you, Madam Chair, for your leadership and your interest in identifying ways to sustain the federal transportation funding and programs and to accelerate project and program delivery. We appreciate that you, Senator Inhofe and the Members of your Committee recognize the important contribution of the transportation system in improving the Nation's economic viability and sustaining our quality of life.

Today, I want to re-emphasize several points that have been paramount in our discussions from the beginning and that can be difference makers for the States under the reauthorization.

TESTIMONY

Efficient Delivery of the National Transportation Program

For practical purposes, there are only two external influences that have significantly impacted the delivery of federally funded transportation improvements in recent history. One is the consistency and availability of federal funding and the other influencing factor can be attributed to federal bureaucracy and regulatory actions. Transportation Departments across the country are hopeful that the Congress will make every effort to at least fund transportation at the historic levels. However, we understand the difficulties that are presented by the limitations of the Highway Trust Fund revenues. Therefore, we are greatly appreciative of the work to find ways to get more of the scarce transportation dollars to the core transportation infrastructure through reducing or eliminating bureaucracy and transportation funding diversions and increasing the efficiency of project delivery.

It is increasingly important that the reauthorization minimizes unnecessary federal mandates and untimely regulatory actions that serve to redirect transportation dollars and limit the efficient investment in the nation's core infrastructures. States must be afforded the opportunity to quickly implement improvements and direct federal funding in a manner that is consistent with a national transportation strategy and that is supported by our resident stakeholders in state policy and law. The new national transportation strategy and the associated federal agencies, laws, regulations and policies should provide a simple framework that empowers states to efficiently select and deliver transportation solutions to address their unique needs.

A focal point of the reauthorization discussion has been the consolidation of the maze of SAFETEA-LU Highway Trust Fund (HTF) authorizations. The consolidation of the authorizations is a good and noble concept and represents an opportunity to significantly reduce the administrative burden of the federal program. However, the consolidation of the HTF authorizations only represents half of the action needed. The effort to finalize a proposed bill should also consider the actions that will be necessary to minimize or eliminate any remaining bureaucracy associated with each consolidated authorization that could impede the progress of projects.

States should not be left to bear the fiñancial burden of a national transportation system in decline alone and the solution lies in a consistent funding authorization with a reasonable term that can carry us beyond the reach of extension acts. The resolution of our national transportation funding crisis may not yet be entirely achievable, but at a minimum new, more effective project and program delivery protocols should be facilitated by the legislation through a renewed State and Federal partnership.

Private Sector Investments and Financing Options

Certainly, when properly vetted and administered, a variety of financing methodologies can be utilized to successfully deliver significant transportation improvements that might not be financially viable otherwise. The utilization of GARVEE, TIFIA, Public / Private Partnerships, Build American Bonds, infrastructure banks and other such methodologies have proven effective in financing certain, well defined transportation system needs. However, none of these financing opportunities provide new or additional funding. In addition, simple tolling can also be very effective and is the purest representation of a public / private partnership. Bond holders finance the initial transportation improvements and the public's use of the facilities provides for a reasonable return on their investment.

However, caution should be exercised to insure that Public / Private Partnerships and proclaimed innovative financing options are not held as the federal government's best or only solution to stemming the further deterioration of our national transportation system. The nation requires new and effective transportation revenue streams, but does not need new ideas about how to go into debt. Extreme care must be exercised in order to avoid over projecting and over extending our limited resources.

Federal Transportation Funding Reallocations

The core transportation infrastructure of this nation has an enormous backlog of unaddressed deficiencies that are commonly and consistently recognized. With each new infrastructure study, exposé or report, the state DOTs are saddled with trying to defend what we already know. This country's CORE infrastructure is in a deplorable condition and we have no fiscal solution for making wholesale improvements at the current funding levels and certainly no prospects under a flat or reduced funding scenario. Therefore, we support the ability for States to carefully scrutinize, prioritize and direct transportation funding that may be available for peripheral projects and programs.

Programs that mandate the commitment of dedicated transportation funding to recreational and fringe activities such as bicycle and pedestrian trails, complete streets, landscaping and historic preservation should be vigorously reviewed. If community livability projects and other similar programs are determined to be critically important to the viability and prosperity of the Nation, other funding mechanisms should be identified and the programs should be funded separately from core transportation infrastructure. If such activities are to remain eligible to receive transportation funding, each state should have the latitude to decide if the eligible activities warrant the commitment of scarce resources above all other transportation needs. Again, it will be of great assistance if the future funding of such programs is left to the discretion of the states alone and any currently mandated set asides are eliminated.

Issues Impacting Project Delivery

The Nation has made great strides in the last 20 years in improving air and water quality as well as preserving resources. In the case of environmental regulatory issues, we certainly recognize the need to exercise care in protecting the environment. However, we must consider the need to deliver transportation improvements in a manner that enhances the function of the system and the safety of the traveling public as quickly and cost effectively as possible. Regulatory restrictions along with bureaucratic actions and mandates that drive up costs, increase delivery times and divert transportation system dedicated resources should be carefully scrutinized and limited or eliminated.

The Federal Highway Administration's policies for implementing the National Environmental Policy Act are important as related to the major transportation improvement projects. NEPA was adopted in 1969 primarily as a result of the construction of the thousands of miles of interstate highway system on virgin alignments. Today, with the focus on state of good repair improvements, many transportation improvements occur within already existing transportation rights of way.

When such projects encompass or require the acquisition of new right of way to support the implementation of the proposed improvements, a reasonable consideration of potential social, environmental and cultural impacts is warranted. Therefore, if it is determined that private property is to be acquired for a permanent, public transportation use, it is always prudent to fully vet and carefully document the investigation, analysis and decision making process regardless of the applicability of NEPA.

However, if a transportation improvement project is being developed entirely within an existing or previously reserved transportation corridor, it should be reasonable to expect that the improvements will be of a nature that does not require federal regulation or oversight. Any responsibly executed activity required to construct, reconstruct or maintain that facility as determined necessary by the state Department of Transportation should not be subject to the added expense, delay and potential double jeopardy of extreme federal oversight, review or regulation.

Reducing environmental hurdles for projects that have no significant environmental impacts will be extremely beneficial. For example, using an estimated total project cost threshold of $5 million yields a consistent project and environmental model in Oklahoma. In the last three years (2009-2011), we let to contract almost two hundred routine projects that were less than $5 million in cost. Each of these projects required a NEPA approval that typically required from 30 days to 180 days to complete. Assuming that such projects would meet the criteria for an expedited process, then Oklahoma would have had the opportunity in many cases to shorten the project delivery on each project by a like amount.

The benefits of these simple actions are broad and far reaching. First, departments of transportation will be inherently encouraged to work within existing transportation facility footprints which will minimize additional impacts to private property or the environment. Second, the preparation efforts and time saved to deliver projects that meet defined criteria will translate as a cost savings to the agency and a direct "user benefit" to commerce and the traveling public through an expedited improvement delivery. Also, the state and federal regulatory, resource and lead agencies will have the opportunity to focus more of their internal resources on progressing other larger scale proposed transportation improvements in a more timely and effective manner.

Undoubtedly, the government, the business community and the general public have all been a force in improving air and water quality in the United States under the provisions of the Clean Air and Clean Water Acts. However, we have a growing concern that the Environmental Protection Agency (EPA) and other Federal regulators are continually ratcheting up their expectations without regard for cost or compliance feasibility. Furthermore, it stands to reason that expanding the Federal regulatory footprint in tough budgetary times will certainly translate into even more delays for the States who already commit extraordinary resources in the interest of regulatory compliance.

Even though air quality steadily improved under the current EPA standard, several areas of the state including both the Tulsa and Oklahoma City metropolitan areas teeter on the verge of non-attainment under EPA's anticipated lower targets and more restrictive interpretations and measuring requirements. The impacts and costs of non-attainment are significant to both private industry and the transportation system. Non-attainment seriously restricts a state's ability to manage transportation improvements within the designated areas, requires a substantial investment in planning and conformity studies and analysis before implementing most transportation system improvements or capacity expansions and embattles the private sector against the government.

In addition, the EPA and the Corps of Engineers are seeking to expand their jurisdictional authority over new waters through the issuance of clarification guidelines. Such guidelines are greatly concerning as more and more regulation creeps into simple drainage ditches and minor tributaries that were long considered non-jurisdictional. In Oklahoma, Corps of Engineers issued permits and mitigation measure approval is becoming more difficult to obtain in a timely manner due to the resource strain of the existing jurisdictional assertion under the previously issued EPA / Corps guidance. This situation can only be exacerbated by any expanded jurisdictional authority under the new guidelines and perhaps all regulatory agencies should be reviewing their guidance with an eye to gaining operating efficiencies in a tightening budget scenario.

Regulatory agencies must establish guidelines that do not overstate the law and that are determined to be reasonable by state governments and by the private sector. It is critical that a balance is maintained that protects the environment yet does not restrict the delivery of critically needed improvements or the economic growth, competitiveness and development of our Nation.

Performance Measurement and Accountability

The return on transportation system investments must be a primary consideration of performance measurement and the results should be honestly and accurately communicated to the Congress, our state officials and our citizens. However, national performance measures presented in the context of a reduced or static federal transportation funding stream may prove to represent a bit of a challenge for the states. We do not anticipate that measuring the performance of a system in recognized decline during a time of stagnant investment will yield the intended results.

With that said, Oklahoma welcomes the establishment and utilization of thoughtful performance measures that can benchmark our transportation system and provide useful information. The high level performance measures adopted for the transportation system should be broad, simple and, above all else, the measures should be meaningful and understandable. However, we must insure that we are attentive to the valuable input that states have to offer and that meaningful and easily understood performance measures are crafted. Performance measurement related to the transportation system must be more than another exercise in bureaucracy.

Conclusion

As we consider the full magnitude of the current inadequacies of our national transportation system, we must recognize the funding challenges as presented. The time has come to work together to maximize our return for the dollars invested and style the project delivery process to be more efficient and free from unnecessary bureaucracy, laws, rules, directives or redundant regulations.

Time is money when you are addressing a less than adequate transportation system. The impact of diverted transportation funding and the cost of regulatory compliance are significant and can be quantified in dollars to some extent. The costs of layered federal bureaucracy and delays in transportation improvement project delivery are less tangible but have a far greater impact on the economy, commerce and the safety of the traveling public.

Senator BOXER. Thank you so much, Mr. Ridley.

Our next witness is Mr. Deron Lovaas, Transportation Policy Director of the National Resources Defense Council. Welcome.

STATEMENT OF DERON LOVAAS, TRANSPORTATION POLICY DIRECTOR, NATURAL RESOURCES DEFENSE COUNCIL

Mr. LOVAAS. Thank you, Chairman Boxer, Ranking Member Inhofe, members of the committee, for inviting me to testify today.

I want you to imagine a world devoid of a national Transportation system. In that world, we would face gridlock and paralysis. Ranchers and farmers would be unable to get products to markets. Manufacturers of vehicles and parts would be unable to ship in the U.S. or overseas. Transportation is clearly a key means to a variety of ends that boost the economy.

Current policy, unfortunately, undermines America's safety, energy and climate security and economy. Now is the time to rectify that by, first, investing wisely by setting national mobility and access, safety, economic impact, energy use and environmental quality objectives. Public investments in infrastructure can yield large economic productivity gains.

A billion dollars of investment in public Transportation, for example, yields about $3.5 billion of GDP. Annual investments of $30 billion in America's public transit systems and $10 billion in intracity and high-speed rail would create 3.7 million jobs overall and more than 600,000 jobs in manufacturing over 6 years.

In addition, these investment would generate $60 billion in net annual gross domestic product, GDP, nearly $45 billion in annual worker income and $14 billion in annual tax revenue, spurring additional growth throughout the economy.

Current fiscal constraints warrant collection and use of cost and benefit data during planning and project selection and design. We need to make sure to invest carefully. Government should turn to a tool in the kit of successful companies: strategic planning, including the use of scenario building. One recent study pegs the cost differential between strategic and business as usual investment at 12 percent savings for Sacramento, 24 percent for Albuquerque and a whopping 51 percent for Nashville. There are big potential savings if we look seriously at the future by building scenarios.

Two, we need to fix it first with clearer, more aggressive repair and maintenance policy. Deferred maintenance, let's be clear, is a national crisis. Five hundred bridges in America failed between 1989 and 2003. And today, nearly 70,000 bridges across the Country are in disrepair. As former White House economic advisor Larry Summers put it, "You run a deficit both when you borrow money and when you need it for maintenance that needs to be done. Either way, you are imposing a cost on future generations.'

No. 3, we need to break our oil habit by delivering mobility choice driven by a national oil savings objective for our transportation policy and similar objectives for States and regions. Transportation drives America's dependence on foreign oil. We have nearly weaned our electricity sector off of oil, thankfully, but Transportation remains almost entirely dependent. Nearly 70 percent of U.S. oil use is for transportation. Overall, this translates to a 9,000 gallon per second habit.

How do we reduce that dependence? Well, raising the bar on fuel economy performance for our vehicles, which we are making good progress on, is the first step. Second, providing consumers with more fuel choices by making cars pluggable. And a third prong we need to attack oil dependence is greater mobility choice. Consumers deserve more options for travel, including virtual travel, high occupancy toll lanes, bus rapid transit, telecommuting, technology that improves road and transit traffic flow, as well as convenient and safe opportunities to walk and bike.

Four, we need to secure funding and financing with new tools. And I think we are all in agreement on some of those tools. We favor looking at tools like an oil security fee, an increase in the gas tax, or a VMT fee over the long run, as well as innovative financing. Expansion of TIFIA and other tools involving public-private partnerships, such as infrastructure banks, should award assistance on a competitive basis, a focus on maximizing returns based on measurable outcomes and fuel savings and pollution cuts. It is important that performance measurement and accountability be a rigorous component of any expanded program to make sure we leverage taxpayer dollars.

Five, we do need to improve project delivery by tackling real causes and not compromising environmental reviews. Let's be clear: environmental reviews account for only a small share of transportation project delays. Lack of adequate financing is a bigger factor. And few projects actually need an environmental impact statement with even fewer subject to controversy. Congress shouldn't legislate by anecdote based on horror stories, but evaluate project delays and tackle then with planning improvements and adequate resources for reviewers.

Six, we need to move good faster, cleaner and cheaper with a freight program to facilitate affordable goods movement while reducing environmental harms. We can meet growing demand for goods while saving oil as well as reducing air pollution, water pollution and noise through targeted provisions. Specifically, we favor a competitive grant program to fund innovative projects based on energy and environmental performance criteria developed in coordination with environmental stakeholders.

Last but not least, we need to protect our natural resources by setting a stormwater runoff performance standard for new and rehabilitated highways and roads. Smart pollution mitigation strategies, such as green roads and highways, are a cost-effective way to reduce stormwater runoff, flooding and help meet clean water requirements.

Thank you for the opportunity to speak with you today. We need to press forward with wise investments in a smarter and greener Transportation program. I look forward to working with you on that. Thank you.

[The prepared statement of Mr. Lovaas follows:]

NRDC
THE EARTH'S BEST DEFENSE

NATURAL RESOURCES DEFENSE COUNCIL

Testimony of Deron Lovaas

Federal Transportation Policy Director, Natural Resources Defense Council

On

Legislative Issues for Transportation Reauthorization

Before the

U.S. Senate Environment and Public Works Committee

Thursday, July 21, 2011

Chairman Boxer, Ranking Member Inhofe, Members of the Committee, thank you for inviting me to testify at this hearing on improving and reforming our nation's surface transportation programs. The Natural Resources Defense Council (NRDC) as founded in 1970 by a group of law students and attorneys, we use law, science and the support of 1.3 million members and online activists to protect the planet's wildlife and natural places and to ensure a safe and healthy environment for all living things.

The Threat of the Status Quo

Our outdated national transportation policy undermines America's safety, energy and climate security, and economy. Roads and bridges, transit systems, and other critical assets across the country have not been well maintained. This disinvestment, in addition to hurting the performance of the transportation network, is increasingly posing a safety hazard as we tragically saw on I-35 in Minnesota.

At the same time, even as Presidents from both political parties as far back as Richard Nixon have called for reductions in oil dependence, we remain as dependent on oil as ever, often imported from hostile countries. Our overwhelming reliance on oil as a transportation fuel coupled with few economical and convenient alternatives to automobiles for moving people and goods have kept America shackled to a volatile and costly global oil market.

Finally, while our transportation network has fostered tremendous economic growth, investments in the system, if not done right, can be unproductive or even wasteful. Inefficiencies – in the form of traffic congestion, high transportation cost burdens for businesses and families, and negative environmental effects from air and water pollution to climate change – further undermine the economic benefits. We need a program overhaul to more effectively leverage federal dollars as a means to boost economic productivity and competitiveness.

While state and local transportation officials have a shared role in fixing our transportation system, reforming and improving federal transportation policy is critical to our success in changing any of these trends. Now is the time to create a safer, smarter, and cleaner transportation network for the future, by:

- **Ensuring that transportation dollars are invested in projects that bring the highest returns by requiring performance-based planning and accountability for outcomes;**

- **Prioritizing the rehabilitation of aging roads, rail lines and bridges, and ensuring that all transportation facilities are well-maintained for optimal use and operation;**
- **Focusing improvements to the transportation system on projects that help to reduce our dependence on oil;**
- **Funding and financing maintenance, operations and growth of the system;**
- **Improving project development and delivery;**
- **Developing a national goods movement strategy; and**
- **Protecting our water quality and wildlife populations.**

By working together to develop and pass a strong, coherent national transportation policy, Congress and the Administration can enhance mobility, boost the economy, increase our security, and improve the environment.

Investing Wisely: Getting the Most Economic Bang for Transportation Bucks

We are a nation connected by transportation links. Imagining a world devoid of Interstate Highways, or intercity rail, or metropolitan public transportation systems clarifies this fact. We would be faced with gridlock and paralysis. Ranchers and farmers would be unable to get products to domestic and global markets. Manufacturers of parts for vehicles would be unable to ship to their business partners in the U.S. or overseas. Transportation is a key means to a variety of ends that yield a vibrant economy.

Thankfully, we have built a tremendous transportation system, which continues to pay productivity dividends. Overall, about one-third of the value of U.S. assets is locked up in physical infrastructure (e.g., buildings, roads, transit lines, etc.).[1] Transportation-driven GDP (a broader measure which attempts to capture all value-added generated to meet the economy's transportation demand, plus transportation services that contribute to non-transportation sector activity) was estimated at 16.5 percent of GDP in 1997.[2] And somewhat more specifically, the transportation services we rely on to do business represent about $1.1 trillion (2000 dollars) in 2006, equal to 9.8 percent of GDP.[3]

Many studies have found evidence of large private sector productivity gains from such public investments in infrastructure, in many cases yielding higher returns than private capital investment.[4] For example, the recent report *Economic Impact of Public Transportation Investment,* prepared for the Transit Cooperative Research Program (TCRP), presents a comprehensive methodology for calculating the broad economic impacts of public transportation investment, in a manner parallel to the advanced practices used in the United Kingdom.[5] For every $1 billion of annual investment, public transportation investment over time can lead to more than $1.7 billion of net annual additional GDP due to cost savings. This is in addition to the $1.8 billion of GDP supported by the pattern of public transportation spending. Thus, the total economic impact can be $3.5 billion of GDP generated per year per $1 billion of investment in public transportation. This is a substantial return on investment of 3.5 to 1, not including environmental and social benefits. However, there is evidence that economic benefits of new transportation investments have dropped. For example, according to a study by a New York University economist the return on investment of new highway projects has been in decline for years.[6] And inefficiencies -- in the form of congestion, high costs, and environmental impacts – exacerbate matters further.

The flaws in our transportation system also have a broader impact on our economy. Long commutes and congestion impose real economic costs. The Texas Transportation Institute estimates that we lose $87.2 billion dollars in productivity during the 4.2 billion hours Americans spend in traffic each year.[7] Billions

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more in fuel is wasted. Moreover, economist Joseph Cortright has shown how sprawling metropolitan land use patterns make the problem worse.[8] Cortright calculated that a typical traveler in the least-sprawling U.S. city spends 40 fewer hours per year in rush hour traffic than the average American, due to shorter travel distances.

Stubbornly high household transportation costs also show this inefficiency. Analysis by the transportation and land-use think tank Reconnecting America shows that transportation costs have been growing for years, and are now often the second highest expense for American families. The average household spends more on transportation than on food or health care.[9] In highly automobile-dependent suburbs, transportation can consume as much as 25 percent of a household budget, compared to just 9 percent in neighborhoods with access to public transportation.[10] To make things worse, the roller-coaster-style volatility in oil prices since 2006 – when NRDC began publishing analyses of consumer spending on gasoline – means that consumers get whipsawed. 2008 alone included a record runup past the $4-per-gallon mark and then a plunge back down below $2, and the first quarter of 2011 saw prices rival those of the highs of 2008.

Studies also show, however, that smart, strategic transportation investments can save consumers money. In fact, the American Public Transportation Association claims that a household that takes public transportation can save $10,000 annually, and in fact they have a calculator available for consumers curious about how much they could save.[11] Greater investment in public transportation would yield other benefits as well. Annual investments of $30 billion in America's public transit systems and $10 billion in intercity and high-speed rail would create 3.7 million jobs overall and more than 600,000 jobs in manufacturing over six years.[12] In addition, these investments will generate $60 billion in net annual gross domestic product, nearly $45 billion in additional worker income, and $14 billion in annual tax revenue, spurring additional growth throughout the economy.[13] Such investments also have a ripple effect, benefitting, for example, small towns where buses are manufactured, or farms that rely on port cities for access to the global marketplace. At the same time, investing in public transportation would save consumers money.

In this fiscally constrained era we must collect and make good use of information regarding potential costs and benefits during the transportation planning and project selection and design processes. Resources should be focused on the projects that will yield the greatest return in terms of mobility, social, and economic benefits.

To get from here to there, government must learn to do what Fortune 500 companies engage in routinely: Strategic planning, including informative scenario-building. Thankfully, this practice is spreading at the state and metropolitan level, and a new federal policy should help accelerate this trend given demonstrable economic benefits. For example, the Metropolitan Planning Center at the University of Utah recently compiled a series of case studies demonstrating the substantial reductions in congestion as well as cost savings that result from strategic planning. These scenario plans were originally developed by the metropolitan planning organizations (MPOs) with the assistance, in a few cases, of a local nonprofit organization specializing in urban planning. The table below shows the cost savings and reductions in congestion in each region. The estimates result from comparing a base case scenario (Base), which assumes continued growth without strategic planning, and the strategic planning scenario (Strategic).

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City/Region	Capital Costs (Billions)			Congestion		
	Base	Strategic	Percent Change	Base	Strategic	Percent Change
Redding, CA	$7.7*	$7.06*	-8%	NA	NA	NA
Albuquerque, NM	$.62	$.47	-24%	739,520	738,370 (Daily Vehicle Hours Traveled)	0%
Austin, TX	$16.7	$13.6	-19%	412,760	278,082 (Vehicle Hours of Delay)	-33%
Nashville, TN	$7.0	$3.4	-51%	NA	NA	NA
Salt Lake City, UT	$31.5**	$18.6**	-41%	450,000	350,000 (Avg. Daily Hours of Delay)	-22%
Martin & St. Lucie Counties, FL	$1.5	$.61	-59%	60,640	57,721 (Vehicle Hours of Delay)	-5%
Champaign-Urbana, IL	$.15	$.08	-44%	4.9%	2.0% (Percentage of Roads with Congestion)	-60%
Albany, NY	$1.70***	$1.62***	-5%	9,065	6,531 (Daily Total Hours of Delay)	-28%
Chicago, IL	NA	NA	NA	2,800,000	2,100,000 (Daily Hours of Congested Travel)	-25%
Sacramento, CA	$14.7	$13.0	-12%	41	29 (Percent Time in Congestion)	-30%
Philadelphia, PA	$68.7++	$55++	-20%	$4.3	$3.7 (Annual Congestion Costs in Billions – 2008 Dollars)	-16%
Atlanta, GA	$7.4	$11.5+	56%	54	50 (Minutes Of Vehicle Delay Per Household)	-7%

* Capital spending includes local streets, sewer, water, and utilities

** Capital spending includes local roads, sidewalk, curb/gutter, pavement, water and sewer lines, stormwater drainage, power and telecommunications

*** Capital spending includes water, wastewater, schools, fire/EMS facilities

\+ Higher capital costs in Atlanta are driven by substantial expansion of transit infrastructure

++ Capital spending includes local streets, schools, and utilities

Strategic planning would help states and regions identify cost effective solutions to improve performance of the transportation system. Today, states and regions develop 20-year long range transportation plans to guide transportation investments and meet future development needs. Point-in-time predictions are made about how and where development will occur, yet despite changes in the location and type of development throughout a community, plans remain largely unchanged.

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When a business develops a plan to expand they do not just look at where to add more stores – they do strategic planning that considers other factors like the actions of competitors, future supply chain demands, and potential economic and market trends.

Strategic transportation planning looks at several scenarios for future travel demand and transportation investments, measuring factors like congestion, and pollution. States and regions can then evaluate different scenarios for cost, congestion, etc and select a scenario based on what best meets the needs of the community, proactively guiding investments to achieve this vision and its benefits.

This is just one tool that states and regions can use to define their preferred future, and then design investment portfolios to get there. Federal policy should set clear objectives that can be aligned at different levels of governance, and provide incentive and tools for better planning and achievement of objectives.

Policy Recommendation: A new transportation program should include a set of national policy objectives related to mobility and access, safety, economic impact, energy use and environmental quality. Congress should:

- Reform and reorient federal programs to direct funding to help states and localities make progress toward these objectives.
- Require commensurate state and regional objectives, explicitly written into long-range plans and transportation improvement programs.
- Hold states and regions accountable for objective-setting and achievement by offering incentives in the form of preferential matching and special funding for programs, projects and initiatives that contribute to these goals.
- Enact large merit-based, competitive programs to leverage federal investments by spurring virtuous competition and driving innovation and reform among a large pool of applicants. Two programs are especially worthy as models: The Urban Partnership Agreement competition in the Bush Administration and the TIGER program in the Obama Administration.

Fixing It First: Addressing Failing Infrastructure

Chronic underinvestment in repair and maintenance of our transportation system is a national crisis. Five hundred bridges in America failed between 1989 and 2003.[14] Today, nearly 70,000 bridges across the country are in disrepair.[15]

Deferred maintenance is crippling our road and transit networks as well. The American Society of Civil Engineers estimates that $1.2 trillion is needed over the next 5 years to improve the condition of the system.[16] One recent report found that the annual cost of deferred maintenance is $200 billion.[17]Failing to invest now may seem pennywise, but it is pound-foolish – projections find the maintenance tally could climb to a staggering $5 trillion by 2035.[18]As former White House economic adviser Larry Summers put it, "You run a deficit both when you borrow money and when you defer maintenance that needs to be done. Either way, you're imposing a cost on future generations."[19]

Proper routine maintenance could have prevented tragedies like the I-35W bridge collapse in Minnesota. Unfortunately, state authorities often direct money into headline-grabbing new projects rather than critically needed maintenance. In fact, in a 2011 poll, 86 percent of respondents supported a "fix it first" policy that focuses on maintaining existing transportation systems before building new ones.[20] The era of wasteful earmarks for flashy but foolish projects, must give way to a focus on fixing our creaky, decaying, and essential existing transportation infrastructure.

Such an approach reduces ongoing maintenance costs, supports business and residential investment in areas already served by transportation infrastructure, and creates more jobs per dollar than construction of new capacity.[21] A new transportation law should include a clearer, more aggressive "fix-it-first" policy for all modes of transportation to reap these benefits.

Policy Recommendation: A new transportation law must adopt a "fix-it-first" approach to infrastructure. Congress should:

- Enact Senator Cardin's Preservation and Renewal of Federal-Aid Highways Act (S. 1193) to prioritize repair of roads and bridges, specifically requiring the Secretary of Transportation to establish "state of good repair standards" for the various classes of federal-aid highways to serve as benchmarks of achievement for states to reach, and requiring that states use an "Asset Management Process" to develop "State System Preservation and Renewal Plans" and "State System Preservation and Renewal Performance Targets" to ensure that their federal-aid roads achieve a state of good repair.
- Allocate substantial investment exclusively to repairs.
- Mandate that US DOT develop a set of performance criteria related to state of good repair for transportation facilities.
- Require that states and regions show how they will achieve progress toward state of good repair goals in their Long-Range Plans and Transportation Improvement Programs.

Breaking the Oil Habit: Delivering Mobility Choice

Transportation drives America's dependence on foreign oil. While we have weaned the electricity sector almost completely off oil, transportation remains 96-percent dependent on petroleum products, mostly gasoline and diesel.[22] And nearly 70 percent of oil used in the U.S. goes to transportation. The biggest sub-sectoral oil consuming category is cars and light trucks, which account for about 60 percent of the total.[23] Heavy-duty vehicles comprise about one-third that percentage, and aviation about half of that. The remainder is rail, marine and other uses.

Taken together, our oil consumption adds up to a 19 million-barrel-per-day habit. This tremendous thirst for oil is a concern because the vast majority of oil resources are held by other nations. In fact, oil production in the United States peaked circa 1970, despite tremendous investments in exploration and production. The U.S. has 526,000 producing oil wells, or more than the rest of the world combined, as well as thorough subsurface mapping.[24] To meet our gargantuan demand oil imports have risen steadily from 35 percent in 1973 to more than 50 percent now, a situation unlikely to change except via demand moderation since other countries have vaster reserves and therefore longevity of production capacity.[25]

The good news is that overall oil intensity of the U.S. economy – the amount of oil used per unit of GDP – has declined substantially since the 1970s due mostly to greater vehicle fuel-efficiency and electricity fuel-switching. However, the transportation sector remains shackled to global oil marketplace trends.

And there's international evidence that we can't drill our way out, as President Obama claims. For example, Canada offers a real contrast. While we have 19.12 billion barrels as of January 2010, Canada has a staggering 175.2 billion barrels in proved reserves.[26] Canada and the U.S. are similar, on the other

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hand, in that we are both on the top-ten list of producers.[27] More than a half-million wells are producing about 9 million barrels a day in the U.S. to keep us on the list. But we have to import more than half of what we consume. Canada produces, meanwhile, produces about 3.3 million barrels a day, and consumes almost 2.2 million barrels daily.[28] Canada is a big net-exporter, yet prices at Canadian pumps have tracked ours (setting aside a regular gap due mostly to higher Canadian fuel taxes) since 2007.[29] The same applies to the United Kingdom, which thanks to North Sea oil produces almost as much as it consumes.

We have all been pulled up and down (and up and down…) by a spiky, scary global crude oil price roller coaster. And new production isn't the way off this crazy ride. As Ken Green of the American Enterprise Institute put it in a recent interview, "The world price is the world price...Even if we were producing 100 percent of our oil...[if prices increase because of a shortage in China or India]...our price would go up to the same thing...We probably couldn't produce enough to affect the world price of oil...People don't understand that."[30]

High and volatile oil prices have an immediate impact on transportation costs for both households and businesses. As transportation costs rise, goods and services that must be transported also rise in price. Food, consumer goods, raw materials, and other fundamentals of our economy are all simultaneously affected. Our economy is therefore held hostage to a turbulent global oil market, which is influenced by diverse factors such as consumer behavior in other large growing nations such as China, supply decisions made by nationalized oil companies organized in the OPEC cartel, political unrest and instability in the Middle East as well as market speculation.

Apart from economic impacts, our oil dependence poses a national security concern for strategic military and defense reasons. Oil consumption by the transportation sector is a major source of heat-trapping pollution, accounting for approximately one-third of U.S. greenhouse gas emissions.

In addition to numerous environmental costs, climate change carries worrisome security implications. An increasing number of security experts at CNA Corporation, the Center for Strategic and International Studies as well as the Defense Department have identified climate change as a challenge to the nation. CNA describes a "threat multiplier" effect due to climate change whereby regions of the world that are already stressed due to poor social, economic and/or political conditions risk degenerating into disaster and/or civil war zones with additional stress due to the unpredictable impacts of climate change.[31] Asian, African and Middle Eastern countries are particularly susceptible to such a scenario. As CNA sums up:

> Economic and environmental conditions in already fragile areas will further erode as food production declines, diseases increase, clean water becomes increasingly scarce, and large populations move in search of resources. Weakened and failing governments, with an already thin margin for survival, foster the conditions for internal conflicts, extremism, and movement toward increased authoritarianism and radical ideologies.[32]

Transportation fuel use is also a primary driver of local air pollution that has been linked closely to both public health problems such as asthma and other respiratory diseases.[33] Some – such as the elderly and children – are especially vulnerable to the effects of air pollution. My four-year-old daughter is asthmatic, so I am keenly interested in reducing pollution from transportation and other sources.

How do we reduce our oil dependence? Raising the bar on fuel economy performance of our vehicles as the Administration is doing via rulemaking – thanks to authority delivered in part by the bipartisan Energy Independence and Security Act of 2007 -- is one way. Providing consumers with more fuel choices by making cars pluggable is a second way. The third component of this three-pronged attack on oil dependence is greater mobility choice.

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Studies show that strategic transportation investments can help cut oil use. In April of 2010, the Department of Transportation released a comprehensive report addressing strategies to reduce energy use and emissions in the transportation sector.[34] The report found that significant progress can be made through increasing the efficiency of our transportation system through operational improvements and infrastructure investments. A separate analysis by the Environmental Protection Agency published in March of 2010 reached the similar conclusion finding that such measures could reduce on-road oil use by 14 percent annually by 2030 and on-road GHG emissions 13 percent annually.[35]

I am currently collaborating with an unusually broad set of energy and transportation experts as part of the *Mobility Choice* project initiated by the Institute for the Analysis of Global Security (IAGS), and our blueprint for transportation reform has elements relevant to the Highway Title of the transportation bill, as described below:

Deploy "HOT" lanes and Congestion Pricing

The concept of pricing to address congestion was first proposed by Nobel Laureate William Vickrey about fifty years ago and at present the federal program has supported more than 50 projects in more than a dozen states with more than 20 projects in operation.[36] The use of this tool helps to address a "tragedy of the commons" issue with transportation, whereby public goods are consumed inefficiently due to a lack of accurate price signals unlike, for example, time-variable prices for daytime cell use and midday electricity use.

Facility pricing strategies have been deployed more aggressively elsewhere in the world, including Singapore, London, Stockholm and the Netherlands. Political and public acceptance has been a challenge in many cases, with lessons that could be useful in the United States. Specifically, to earn support from the public and other stakeholders – including environmental groups – proposals must address a real problem that pricing would help resolve (such as oil savings), have a credible plan for the revenues including investments in transportation alternatives such as bus rapid transit, come from a trustworthy source, and start incrementally.[37] The last of these is particularly important. Launching modest-sized projects can offer the public "proof of concept" and build momentum towards wider use of pricing tools.

In fact, thanks to improvements in technology – for example, electronic toll collection – road pricing is already becoming more popular, and a greater source of financing for transportation. In fact, the more than 60 members of the International Bridge, Tunnel and Turnpike Association generate $10 billion in tolls or one-third of federal gas tax revenues.[38]

Together, such strategies could save nearly 80 million barrels of oil in 2020, and twice that in 2030 as pricing becomes more comprehensive.

Increase Commuting Options and Telecommuting

A large share of trips -- particularly at peak hours – are to the workplace. There are many strategies that can encourage commuters to choose travel options other than driving alone. For example, parking cash-out programs reward employees who find other ways to get to work by giving them the cash-equivalent to a parking benefit. On-line ride matching, vanpool services and guaranteed ride home programs provide commuters an alternative to driving alone. Extensive outreach programs by larger employers can be used to educate employees about the commute options available. Transit agencies can offer employers "bulk discounts" on monthly transit passes, providing incentives for greater transit use.

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Telecommuting and compressed workweeks also offer opportunities to eliminate some trips to the workplace entirely. The choice to take the "broadband highway" to work, shop or run errands can save oil. According to one recent study, the 2.9 million people who already telecommute save more than 25,000 barrels of oil daily with much untapped potential since 45 percent of the workforce holding jobs compatible with at least part-time telework.[39] As one energy expert put it, "consider the potential of virtualization as a disruptive energy technology. If for only one day a week the herd of stop-and-go business commuters was allowed to telework from home or from a networked satellite office near their neighborhood, over 30 million gallons a day of gasoline would be saved."[40] In fact, forty percent of IBM's employees telecommute, saving nearly $2.9 billion in reduced office space needs (and millions more on energy costs) since 1995.[41]

Improved commuting options could save 71 million barrels per year by 2020.

Deploy Smart Traffic Management

Traveling on roads and transit in other industrialized nations, one witnesses a host of technologies that could improve operating efficiency of existing transportation modes, from variable signage providing real-time information to system users to traffic management centers to keep traffic flowing freely. Upgrading our current infrastructure with 21st-century technology is one of the first, most cost-effective steps we can take to save oil and cut pollution by reducing congestion and idling. These technologies save time, money, and frustration for travelers.

Congressmen Rogers and Carnahan recently offered a bill supported by NRDC and other groups, the SMART Technologies for Communities Act, which would select six communities as part of a pilot intelligent technology deployment project. These communities would benefit from investment in smart technology, serve as testing sites with clear performance objectives and measurement and model and refine best practices that can then be replicated in across the nation.

Together, these technologies could save almost 5 million barrels of oil in 2020 and almost 10 million barrels in 2030, while simultaneously improving traffic flow on arterials and freeways in the nation's congested urban areas.

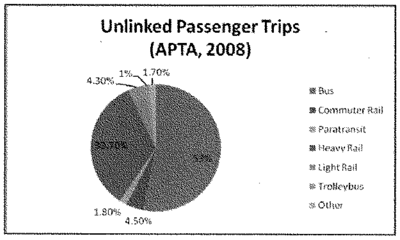
In addition to the Mobility Choice recommendations, two modes of transportation that share rights-of-way with cars and trucks deserve more priority and investment. These modes are often disregarded or discounted in the public debate, which is unjustified given their cost-effectiveness. They are the workhorses in our stable of options for addressing transportation oil dependence.

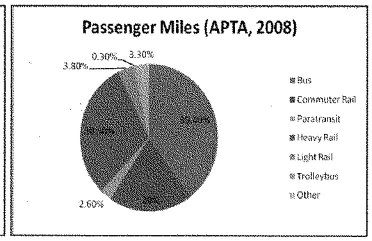
Invest in Modern, Attractive Private and Public Bus Transit

First among the workhorses is intercity bus service. Private commercial buses are the most cost-effective form of public transportation in the country, according to a new report from the American Bus Association (ABA).[42] The ABA looked at federal subsidies for all modes of transit from 2002 to 2009. Private sector buses got less than 1 percent of the pie, just $83 million, compared to $11 billion for mass transit and $5 billion for airlines. In subsidies per passenger mile traveled, buses received just one-tenth of a penny, compared to more than a quarter for Amtrak, nearly 20 cents for mass transit, and just under a penny for airlines.

All told, the motorcoach industry, which includes intercity buses, commuter buses, tourist coaches and rural transit, provides about 745 million passenger trips a year, about the same as the airlines and 25 times more than Amtrak. And it does this with practically zero federal support.

Next on the list are intracity buses. These options carry the bulk of passengers in our public transportation systems currently, as shown in the pie charts below.





And yet, as a recent report notes, we have relinquished global leadership in a key bus innovation: Bus rapid transit (BRT). BRT offers several advantages over rail, especially given the simple fact that over the course of the past century we have hard-wired our nation with a vast network of highways, roads and streets. First, it can be implemented more speedily than rail. Second, it can cost less, especially in terms of capital investment. And last, it can use an existing street network connecting locations of interest.[43]

The U.S. built some of the first bus rapid transit, for example the still-operational South Busway in Pittsburgh (opened in 1977).[44]There are other lines that qualify as BRT based on a scorecard developed by the Institute for Transportation & Development Policy, based on key traits such as off-vehicle fare collection, physically separated right-of-way and platform-level boarding (making them more attractively train-like, in other words).[45] Unfortunately these lines in Cleveland, Eugene, Los Angeles and Las Vegas pale in comparison with model ones in Bogota, Guangshou, Johannesburg and Ahmedabad.[46]

The new transportation bill, in both the Highway and Transit Titles, should leverage scarce taxpayer dollars by further building out bus transit within and between our metropolitan regions.

Invest in Nonmotorized transportation: Walking and biking

Tom Vanderbilt, author of the best-selling book *Traffic*, penned an article in Slate this past weekend about a humorous-yet-thought-provoking stunt by a set of bikers in Los Angeles:

> In the face of this fanciful idea (*a traffic-busting flight!*) it became possible to demonstrate that cycling, often taken as a non-serious or marginal or even annoying (to some drivers) form of transportation in the United States, could seem eminently reasonable: not only the cheapest form of transportation, not merely the one with the smallest carbon footprint, not only the one most beneficial to the health of its user, but *the fastest*.[47]

Many of us bike, and even more of us walk regularly. In fact, 12 percent of daily trips are made by nonmotorized means.[48]Unfortunately, pedestrians and bicyclists account for 13 percent of traffic fatalities.[49]Too many Americans must take their life into their own hands when venturing out for a walk in their neighborhood, a hard reality that warrants better design dubbed "complete streets" as prescribed in S. 1056, the "Safe and Complete Streets Act of 2011" co-sponsored by a dozen Senators including several Members of this Committee.

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It also warrants dedicated investment as provided by the transportation enhancements or TE program. This program, put in place by the Intermodal Surface Transportation Efficiency Act of 1991 or ISTEA, provides a modest amount of funding per year for investments in a variety of transportation-related improvements that help make walking and biking a more viable mobility choice. While the fuel savings from these investments are comparatively modest when examined in isolation (one recent report found a technical potential to save almost 100,000 barrels per day by 2030[50]), when combined with other measures such as bus rapid transit and smart land-use planning they are invaluable. And they are extremely cost-effective: If $80 billion were invested between 2010 and 2050, consumers would save four times that much in reduced vehicle operating costs alone.[51]

Pedestrian and bicycle projects are also more potent job generators than many realize. In fact, a recent study compared actual bid price and cost data for 58 projects in 11 cities and found that bike projects create 46 percent more jobs than road projects without any bike or pedestrian component (due in part to the fact that they require less heavy machinery and more labor to construct).[52]

In order to ensure that the technologies and techniques including but not limited to those described above are deployed expeditiously, Congress must enact a new transportation law with robust policies to drive them.

<u>Policy Recommendation</u>: Congress should establish a national oil-savings objective for our federal transportation program and require similar objectives for states and regions. Congress should also provide financial assistance to meet these objectives by:

- doubling annual funding for public transportation;
- expanding dedicated resources for other transportation facilities and strategies that reduce oil consumption, such as bicycle lanes, pedestrian improvements, and intelligent transportation systems; and
- establishing oil savings as one focus of all new, merit-based, competitive loan and grant programs.

Funding and Financing

One of the greatest challenges that we face in upcoming years is paying for the upkeep and expansion of our transportation system. As receipts from the federal motor fuel excise tax continue to fall, and the Highway Trust Fund grows increasingly insolvent, we must consider new mechanisms to fund transportation.

<u>Policy Recommendation:</u> To finance a transition to a more robust, efficient, and cleaner transportation system, a variety of tools could be used such as methods to generate new revenue, including:

- *An oil security fee*: To better reflect the hidden costs of oil, primarily those associated with its national security impact, an oil security fee could be levied either per barrel or at the pump. This fee would send a more accurate signal to consumers about the real cost of their gallon of gasoline or diesel. Reflecting the hidden costs of oil at the pump would enable consumers (assuming modal choices exist and vehicles are platforms on which fuels can compete) to make more economically informed transportation choices. Proceeds from the fee could either be offset entirely or partly by tax relief and/or debt reduction while a portion could go to the transportation program. *Mobility Choice* coalition analysis shows that implementing a fee equivalent to an additional 25 cents per gallon of gasoline in 2020 could generate annual savings of almost 240 million barrels of oil and generating $44 billion of revenue.

The Carnegie Endowment for International Peace's Leadership Initiative on Transportation Solvency just unveiled a variant on this concept with an intriguing structure worth consideration. They propose that an ad valorem oil security fee apply at the wellhead or port-of-entry and that a gas tax rise or fall in inverse proportion to the oil price.[53] In other words, when oil prices are high, consumers get relief at the pump with oil companies making up the difference and when prices drop the signal to consumers kicks in.

- In the long run, it may be desirable and possible to shift to a fee tied more directly to road usage than the gasoline tax, what is often referred to as a "VMT fee." This concept should be tested and piloted first, however, and structured carefully. For example, it should continue providing an incentive for consumers to invest in fuel-efficient car and truck technology by charging on a sliding scale depending on vehicle fuel economy. Although it has been a subject of controversy, when explained and marketed to consumers it could prove popular. A five-year University of Iowa study provided 2500 drivers in 12 U.S. areas a system using GPS, data recorder and data link to the research team. Participants received regular statements regarding their tax bills with the system. While only 20 percent of participants favored the fee at the outset, by the end that number jumped to 70 percent.[54]
- Congress should also make aggressive use of innovative financing mechanisms that leverage public investments. Public-private partnerships with clear public benefits agreements can take advantage of private resources to fund public infrastructure. Press reports say that one proposal this committee is considering is dramatic expansion of TIFIA, the Transportation Infrastructure Finance and Innovation Act. This program uses a variety of tools – and when it comes to financing, a variety of tools will be necessary to make ends meet – and may well be worth expanding. Research shows that partnerships have common features which provide some guidance for amending TIFIA to ensure that taxpayer funding supports important national performance goals. In addition to obvious ones, such as coinvestment, cooperation and collaboration, as well as pragmatism and flexibility, three jump out as applicable to TIFIA: Maximization (of returns on investment), competition and measurement.[55]This program – and other tools involving public-private partnerships such as infrastructure banks – should award loans, loan guarantees and standby lines of credit on a competitive basis, focused on maximizing returns and with those returned defined in terms of measurable outcomes that include fuel-efficiency or fuel savings as well as environmental pollution reductions. *It is crucial that performance measurement and accountability be a rigorous component of any expanded program.* One possible investment that would benefit from TIFIA eligibility is intercity bus projects, to help private companies purchase modern rolling stock that can attract and retain ridership.[56]

Improving Project Development and Delivery

Both the current federal transportation planning process and the project review process can improve the quality of a transportation project in important ways to better achieve mobility improvements, as well as economic development, environmental, health, and energy goals. These processes ensure that all members of the public, including individuals and businesses, have the opportunity to have a say in the development of their communities. They ensure that scarce resources are directed toward the projects that the community needs the most. And they help planners and engineers identify and avoid or mitigate negative impacts to the community and its natural environment.

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Unnecessary delay during the planning, design, and delivery of a sound transportation project can cost taxpayers, the economy, and the environment, in addition to local mobility and access. Some of the largest causes of delays in federally supported transportation project delivery are:

- project redesign or design additions;
- the need to relocate businesses;
- project complexity;
- lack of funding for the project;
- local objections to the project; and
- interagency communications problems.[57]

On the other hand, delays related to environmental and preservation laws account for only a small share of total transportation project delays. In most cases delays from environmental review occur in the most complex and/or controversial projects, where thorough review is most warranted. Very few projects are actually required to complete an Environmental Impact Statement (EIS), and even fewer are subject to litigation or controversy. In 2001, of all highway projects that received federal funds, only three percent accounting for 9 percent of funds, required an EIS.[58]Nearly all federally funded transportation projects have been eligible for Categorical Exclusions (CEs) or Findings of No Significant Impact (FONSIs), both of which shrink review requirements substantially.[59]

We must therefore be cautious about focusing too heavily on the environmental process when seeking to speed project delivery. In doing so, we would merely address outliers, and fail to address the most widespread sources of project delay as well as potentially undermining key environmental protections that have served the nation well for more than 40 years.

A new transportation authorization bill should include targeted, thoughtful reforms focused on 1) improving the transportation planning and project development process, and 2) simplifying the project review process and while retaining safeguards that are designed to protect the environment and ensure that the public has an adequate opportunity for involvement in their local transportation plans and decisions. In particular, reforms can be made to reduce duplicate processes, increase the effectiveness of initial planning and transportation project reviews, create incentives for timely project delivery, and focus resources on the most effective transportation investments and solutions.

However, even without policy changes, many transportation agencies are finding that they can adjust their internal agency structures to better prioritize limited funds and staff time to focus on the projects that are most likely to move forward in the near term. Additional innovations that can and should be adopted more widely without changes to current law include new internal operating strategies such as development of templates for project categories, bundling of similar project analysis, and aggregating mitigation strategies for projects in relatively close proximity.

Policy Recommendation: The federal transportation bill should improve the transportation planning and review process to improve project delivery without compromising bedrock environmental review laws. Congress should:

- Create new incentives for closer linkage between the transportation planning process and the project review process

- Increase the use of Mitigated CEs and FONSIs
- Encourage greater design flexibility for transportation projects to avoid environmental impacts that would need mitigation

Congress should also consider further steps to integrate transportation planning with project reviews, building on initial steps taken in SAFETEA-LU.

- By focusing on more comprehensive planning initiatives, such have been undertaken in Sacramento and Salt Lake City, environmental impacts *and benefits* can be identified early in the process
- Projects and suites of projects could then be designed from the outset to avoid or mitigate environmental impacts and maximize benefits, reducing delays later during the project review process
- The data collected and used during these planning efforts could then be incorporated into the project review phase, further cutting down on the time needed to certify compliance for several projects at once
- Contingent upon completion of such a comprehensive planning process, identified benefits might also be used as documentation for CEs or FONSIs.

Orange County Transportation Authority Executive Director (and former Caltrans director) Will Kempton has developed a package of proposals for reducing barriers to timely project delivery. Many of his ideas are worthy of consideration by this Committee. Of course, it should be noted that Will is perspicacious enough to include proposals for state transportation departments, whose bureaucratic houses are not necessarily in order when it comes to efficient, effective project delivery.

Moving Goods Faster, Cleaner, and Cheaper

Surface freight transportation – from rail to trucks to ships and barges – is the backbone of America's economy. The system allows for the affordable movement of goods and services and creates a significant number of jobs. However, goods movement is a rising source of road and rail congestion, as well as environmental and public health impacts.

Despite freight transportation's economic and environmental impacts, until recently, the freight system—*as a system*—has not received the attention it deserves in federal transportation planning and funding. It is possible to simultaneously modernize America's freight system, improving its efficiency, while also reducing environmental impacts. The federal transportation law reauthorization provides an important opportunity to help America's freight system meet growing demand while saving oil as well as reducing air pollution, water pollution and noise through targeted provisions.

<u>Policy Recommendation</u>: Congress should develop a comprehensive freight title to guide investment in and development of our freight network to facilitate affordable goods movement while reducing environmental impacts. Such a title should:

- Create a competitive grant program to fund innovative freight transportation projects. As part of this grant program, create a public process that includes EPA and regional stakeholder groups that will develop criteria to ensure that only projects that benefit the environment and public health are selected for funding. This type of approach has been identified as a recommendation for goods movement by the National Environmental Justice Advisory Council (NEJAC). Additionally, public dollars should be tied to a performance standard so that any highway dollars distributed according to a formula-based allocation process that are devoted to reducing freight bottlenecks should deliver projects that will simultaneously improve freight flow and reduce air pollution impacts in the short and long term.

- Define project eligibility for Highway Trust Fund spending in a way that emphasizes system performance outcomes, including freight movement reliability and environmental performance.
- Establish freight reliability and environmental performance standards to help inform project eligibility for federal funding.
- Within one year, develop a national freight plan that identifies key hubs, ports, corridors and gateways whose improvement is essential to simultaneously meet pressing reliability and environmental and public health goals.
- Create an Office of Multimodal Freight within the office of the Secretary of Transportation.
- Establish a competitive grant program that recognizes innovation and encourages projects that simultaneously deliver system reliability and emissions and other environmental impacts reductions.

Protecting Water and Wildlife

Environmental impact from transportation and oil use are not limited to air quality and climate change. Transportation also has a substantial impact on water quality and wildlife.

Pollution from stormwater runoff threatens our communities' drinking water and the rivers, lakes and streams in which our children swim, fish and play. Highways and roads are a major source of stormwater runoff, which is a leading cause of water pollution in the U.S. Roads and related infrastructure, such as parking lots, comprise two-thirds of all paved surfaces, the primary source of stormwater runoff. Roads collect pollutants from tailpipe emissions and brake linings along with other contaminants that wash into rivers and streams during storms, polluting drinking water supplies and taxing downstream communities. One inch of rain that falls on one mile of road produces 55,000 gallons of polluted stormwater.[60]

Smart stormwater mitigation strategies such as "green roads and highways" are a cost effective way to reduce stormwater runoff, flooding and help meet clean water requirements. Green roads and highways use innovative methods to reduce and clean runoff by protecting, restoring or mimicking the natural hydrology of an area to prevent runoff or divert it into natural areas instead of directly into local streams, rivers, and sewer systems. A single acre of wetland holding a foot of water will store up to 330,000 gallons of water and filter pollutants such as oil, sediments and other chemicals that otherwise run off our nation's roads and highways and into our streams, rivers and lakes.

Many cities are already using natural practices in stormwater mitigation to avoid more costly alternatives. In Seattle, the Street Edge Alternative project reported a 29 percent savings over traditional street retrofitting and a 49 percent reduction in paving cost by using green techniques. The California Department of Transportation found that comprehensive use of green infrastructure to control stormwater would cost \$2.8–7.4 billion compared to \$44 billion for conventional controls.

Policy Recommendation: The reauthorization of the Transportation Bill should require all new and rehabilitated federal aid highways and roads to meet a performance-based standard to reduce polluted stormwater runoff, flooding and meet clean water requirements.

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The greatest cause of the destruction of critical wildlife habitat, which is the most significant threat to America's biodiversity, is sprawling development. This is oftentimes driven by poorly planned transportation investments. The rapid increase in wildlife-vehicle collisions on U.S. roadways is also a growing concern and has significant impacts on public health and safety, incurs substantial property damage and injury costs, and reduces the health and viability of wildlife populations.

Better transportation planning can shape future growth, thereby determining the quantity and quality of habitat left for wildlife. Wildlife biologists and transportation planners and engineers have been working together for the last decade to mitigate the impacts of highways on wildlife. SAFETEA-LU included a provision requiring transportation planners to consult with natural resource and land management agencies to compare maps and consider potential conflicts early in the planning process.

Policy Recommendation: To build on progress in reducing impacts to wildlife, Congress should:

- Enact Senator Cardin's Safe Treatment of Polluted Stormwater Runoff (STOPS Runoff) Act (S. 3602) aimed at treating and containing highway stormwater runoff at or near highways to prevent polluted stormwater from reaching nearby rivers, streams or other watesheds by requiring that the Transportation Department develop performance-based standards that protect and restore watershed areas where federally funded highways are located;
- standardize collection and analysis of wildlife-vehicle collision data collection, and facilitate sharing of this data between state transportation agencies and resource agencies;
- expand and improve section 6001of SAFETEA-LU by supporting resource agencies' involvement early in planning through both process requirements and funding; and
- include consideration of developing wildlife passages during bridge assessments.

Conclusion: Getting it Done - The Time to Act is Now

Thank you for the opportunity to testify on behalf of NRDC, our transportation team and our members concerning our mutual concern for how to reform the federal transportation program to deliver higher quality, safer, cleaner, more efficient, and more cost-effective transportation projects to taxpayers and communities across the country. We must press forward with wise investments in a smarter, bolder, greener transportation program. Let's get to work.

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Senator BOXER. Thank you so much.

And last but not least, we are very happy to welcome back Mr. Greg Cohen, President and CEO of the American Highway Users Alliance. Welcome.

STATEMENT OF GREG COHEN, PRESIDENT, AMERICAN HIGHWAY USERS ALLIANCE

Mr. COHEN. Thank you, Madam Chairman, Ranking Member Inhofe, members of the committee. I am honored to appear before you here today to present testimony indicating our strong support of your plan to enact the bipartisan MAP–21 bill this year.

Highway Users is the only organized national non-profit coalition that represents the interests of the motoring public across all the highway modes. We promote Federal, State and local policies that improve safety and mobility, and our members include AAA clubs, trucking and bus companies, motorcyclists, RVers and others that contribute user fees to the trust fund. These members and several hundred other member businesses and associations represent millions of highway users from coast to coast.

We have worked closely with members of this committee and your excellent, professional staff to advocate for a new vision of the Federal Aid Highway program that is reformed, robust, streamlined, and reflects the core priorities that serve the national interests. We congratulate the committee on this week's release of your policy outline, which largely reflects priorities that we share with you.

Our goal is not to please traditional transportation trade associations in Washington, but more importantly, to serve the interests of the public at large, particularly those who pay the highway user fees. Unfortunately, the unwieldy and complex authorization bills of the recent past generation, lacking in direction and full of earmarks, put this committee at a public relations disadvantage before you even began working 2 years ago on this. That is why it is worth emphasizing again how delighted we are that this is a Big Four bill that sets a new course focused on reform.

We are thrilled that despite the current divisive political environment, MAP–21 is being negotiated to receive the support from some of the most progressive and some of the most conservative members of the U.S. Senate. Bipartisan cooperation on the surface transportation bill is a tradition worth keeping.

We strongly support passage both of this bill and the House bill so that a conference committee can be convened quickly, and so that you can complete your work. The worst possible outcome would be if Congress fails to make progress and we end up with a long-term extension bill that cuts funding and fails to reform the program.

The Federal highway program is of much more value than simply being a jobs bill. Mobility and safety investments create broad economic growth, improve our quality of life, and give America competitive advantage in international trade. For example, SAIC has fond that safety investments under the HSIP program have saved $43 in societal costs for every $1 spent. According to U.S. DOT, investing as much as $175 billion per year on highway projects would have a positive benefit to cost ratio. And at the current funding levels, a performance-based highway program would deliver hundreds of billions of dollars of economic benefits each year to Americans in every State in the Country for only $40 billion in annual user costs.

We support your efforts to prevent cuts to the funding of the highway program. Due to the shortfall in the highway trust fund and the seemingly impossible task of raising highway user fees on fuel, we encourage all the committees that are involved to consider supplementing highway programs with general funds over the next few years. However, it is important to note that we have always supported highway users paying their full share for the highway program. And we agree with the committee that growing the TIFIA program is a better plan than the National Infrastructure Fund. We also encourage Senate consideration of Senator Wyden's TRIP bond bill, which would supplement funding for all States.

We applaud this committee for taking a strong position on reducing bureaucracy and improving project delivery. We understand that the committee's plan is to keep all substantive environmental protections in place. At the same time, we can improve interagency procedures and establish deadlines for NEPA comments and permit reviews. According to U.S. DOT, a major highway project can take 9 to 19 years to complete. And every 10 years that a project is delayed, the costs double.

The Highway Users Alliance also supports streamlined transportation planning processes that include consultation with a wide range of interested parties and ensures that representatives of motorists, private bus companies, truckers and other highway user fee-paying groups are at the table. However, with money in short supply and time of the essence, Congress should avoid the addition of new planning, additional planning layers or mandates that force cooperation or coordination with new groups of reviewers. Transportation planning is already extremely complex. I know, I have done it. Federal mandates that slow the process give new actors veto power, reduce the primacy of transportation considerations and transportation planning, mandate experimental planning techniques or create additional hurdles for U.S. DOT to approve plans. These have to be avoided.

Most of the core programs proposed by the committee are similar to those that we have proposed in our authorization briefs and in our previous testimony. In particular, we congratulate you and strongly support your core programs for safety, freight and the National highway system program. Safety is our top priority and we urge the committee to even consider additional safety proposals, such as the Baucus safety bill and others that we endorsed in our committee testimony back in April 2010.

The new freight program is critical to improve our commerce corridors. The new national highway system program will improve just 4 percent of the roads, but those are the roads that are these most used, and serve as our Nation's economic arteries.

In conclusion, this committee has an extraordinarily opportunity to help improve the economy, reduce congestion, save tens of thousands of lives by expediting the authorization of MAP–21 with a reformed, streamlined and robust highway and transportation program. We greatly appreciate being your partner in this effort and would be happy to answer any questions.

[The prepared statement of Mr. Cohen follows:]

AMERICAN HIGHWAY USERS ALLIANCE

Statement of
Gregory M. Cohen, President
American Highway Users Alliance

before the

Committee on Environment & Public Works
United States Senate

July 21, 2011

Chairman Boxer, Ranking Member Inhofe, and Members of the Committee:

I am Greg Cohen, President and CEO of the American Highway Users Alliance. I am very pleased to present testimony in strong support of your plan to enact the bipartisan MAP-21 bill this year. Thank you for the invitation to be here today.

We have worked closely with the Members of this Committee and the professional staff to advocate for a new vision of the federal-aid highway program that is reformed, robust, streamlined, and reflect core priorities that serve the *national* interest of improved safety and mobility. We congratulate the Committee on this week's release of your policy outline, which largely reflects priorities we share.

As the advocacy coalition for motorists, our goal is not only to please traditional transportation bill supporters in the business community and industry but, more importantly, to win the support of the public at-large – particularly those who pay highway user fees on fuel, trucks, and tires. Unfortunately, the unwieldy and complex "ISTEA-era" authorization bills of the past generation – with earmarks and other programmatic embarrassments – put this Committee at a public-relations disadvantage before you even began your work. That is why it is worth emphasizing again how delighted we are that this is a "Big 4" bill that sets a new course focused on reform and federal-interest priorities. We are thrilled that despite the current divisive political environment, MAP-21 is being negotiated to receive the support of the most progressive and most conservative Members of the U.S. Senate. Bipartisan cooperation on the surface transportation bill is a tradition worth keeping.

The Highway Users Alliance strongly believes that MAP-21 will serve the public interest, grow the economy, and overcome the roadblocks facing other major legislation in the 112th Congress. We strongly support passage of both this bill and the House bill so that a conference committee can be convened quickly and you can complete your work. The worst possible outcome would be if the Committee fails to make progress and we end up with a long-term extension bill that cuts funding and fails to reform the program. We stand with you to prevent such a failure and we look forward to reviewing and commenting on the bill language as soon as it's available.

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About the American Highway Users Alliance
The Highway Users Alliance is the only organized national non-profit coalition that represents the interests of the motoring public across all highway modes. Formed 79 years ago, we promote federal, state, and local policies that improve safety and mobility. Our members include AAA clubs, trucking and bus companies, motorcyclists, and RVers who contribute user fees to the Highway Trust Fund. These members and several hundred other member businesses and associations represent millions of highway users from coast-to-coast. We support public policies that guarantee the investment of user fees in projects that provide tangible benefits to those paying the bill. Safe, reliable, and efficient roads facilitate the movement of our families, employees, customers, and products. The Highway Users Alliance has worked closely with Congress on every major highway bill since 1956 as a stakeholder and grassroots advocate for a strong and trustworthy Highway Trust Fund.

The Economic Importance of MAP-21
We know that American transportation infrastructure investments sustain millions of American jobs. But from the users' perspective, the federal highway program has much more value than simply being a "jobs bill". Mobility and safety investments create broad economic growth, improve our quality-of-life, and give America a competitive advantage in international trade. For example, SAIC has found that safety investments under the HSIP program have saved $43 in societal costs for every $1 spent. Congestion relief projects save time for individuals and commercial businesses, as well as fuel, safety, and environmental savings. We estimate that the 20-year economic benefits of fixing the nation's worst 233 bottlenecks would easily exceed half a trillion dollars not including hard-to-calculate factors like the value of network reliability. We also have difficulty in calculating the economic costs of underfunding our highways (the infrastructure deficit) – although those costs are apparent to all who observe existing roads and bridges become inadequate and deficient. According to USDOT's 2008 Conditions and Performance Report, investing as much as $175 billion per year on highway projects would have a positive benefit to cost ratio. Unfortunately, CBO only calculates transportation spending as negative costs instead of as an investment in the future. At the current limited funding levels, a performance-based highway program would undoubtedly deliver hundreds of billions of dollars in economic benefits each year for $40 billion in annual user costs.

Funding
The Highway Users Alliance strongly supports your efforts to prevent funding cuts to the highway program. Due to the shortfall in the Highway Trust Fund and the seemingly impossible task of raising highway user fees on fuel, we encourage all Committees involved to consider supplementing highway programs with general funds over the next few years. Because highway investments benefit both trust fund taxpayers and the general public, it is reasonable and prudent to fund some highway programs with general funds or split funds. We note that there is precedent for this with certain Title I highway programs being funded by the General Fund. In addition, the transit program is split-funded. However, it is important to note that we have always supported highway users' paying their full share for the highway program. Given the overwhelming needs and the unresolved shortfall in the Highway Trust Fund, highway user fees will have to be raised

as soon as politically feasible. Although higher user fees are not a realistic option at this time, we want the record to be clear that we offer qualified support for both a fuel tax increase and continued pilot tests of mileage-based user fees, as a way to grow highway investments in the future and sustain the Highway Trust Fund permanently.

We also support the Committee's effort to grow the TIFIA program under the **America Fast Forward** plan. We agree that this is a better plan than the Administration's proposed National Infrastructure Fund/Bank. TIFIA projects and programs must be selected based on an impartial review of financial plans. We also encourage Senate consideration of Senator Wyden's tax-credit bond bill, which would supplement formula funding in all States.

Due to funding shortfalls, some have proposed tolling existing toll-free lanes on the system. We oppose this course of action in order to prevent economic barriers to interstate mobility, the balkanization of our most important infrastructure asset, and a sharp escalation of costs for interstate tourism and goods movement. We urge the Committee to prevent the tolling of existing toll-free general purpose lanes on the Interstate Highway System. However, when projects cannot be funded with taxes alone, we do support tolling for the construction of new lanes and new roads, as well as the conversion of HOV to HOT/Express Toll lanes, provided that the toll revenue is not diverted from the tolled facility. We recognize that many new capacity freeway projects simply cannot be built with existing tax revenue alone.

Core Programs

The Highway Users Alliance is strongly supportive of the Committee's efforts to consolidate and simplify programs. Most of the core programs proposed by the Committee are similar to those that we proposed in previous testimony and in our official authorization proposal. We support maximum flexibility for States to invest federal funds within the broad parameters of the core programs and to be held accountable for results through reasonable performance standards. We urge the Committee to maximize the amount of funding distributed by formula to the core programs.

- **National Highway Performance Program**. This program, which focuses on the National Highway System, reflects a priority on improving our nation's critical economic arteries. We strongly support this program and urge the Committee to give States broad authority to invest in projects that improve both physical and operational state of the NHS, including new capacity. The most critical element of the NHS is the Interstate Highway System, which is aging and inadequate for 21st Century traffic. We agree with AASHTO that another 10,000 miles of Interstate capacity is needed.

- **Transportation Mobility Program**. Improved mobility is among our highest priorities. We will strongly support a transportation mobility program that is focused on congestion relief and improved highway connectivity. We look forward to learning more about this new program as details are released.

- **National Freight Program**. We are delighted by the inclusion of a much-needed new national freight program that focuses on improving highway freight corridors. Improved interstate commerce is in the national interest and a certain way to help America compete in the global trade market. Roads with a high percentage of freight traffic, freight bottlenecks identified by DOT analysis, and new Interstate connections developed using freight origin-destination studies should be priorities of this program.

- **Congestion Mitigation and Air Quality Improvement Program**. The Highway Users Alliance supports a more performance-based approached to the CMAQ program, which currently lacks adequate measurement of projects' impact on congestion and air quality. We urge the Committee to allow project sponsors authority to invest in any project that reduces congestion and improves air quality, such as bottleneck removal.

- **Highway Safety Improvement Program**. Possibly the best outcome of SAFETEA-LU was the creation of the life-saving HSIP program. From 2005 to 2010, the death toll dropped from 43,510 to 32,788. We envision zero deaths on our roads for the next generation. Safety is our top priority and we urge the Committee to provide robust funding for all safety programs and to consider additional safety program recommendations, such as the Baucus safety bill and others, which we endorsed in our Committee testimony at the Highway Safety hearing (April 14, 2010).

Accelerating Project Reviews

We applaud the Committee for taking a strong position on reducing bureaucracy and improving project delivery. We understand and agree with the Committee's plan to keep all substantive environmental protections in place while improving interagency procedures and establishing deadlines for NEPA comments and permit reviews. According to USDOT, a major highway project can take 9-19 years to complete and every ten years that a project is delayed the costs double. These costs do not include the fact that when highway projects are delayed, there are substantial user costs in terms of time, money and safety.

To streamline project approvals, Congress could do a great deal including setting deadlines for interagency reviews, adding more programmatic categorical exclusions from the NEPA process, delegating NEPA review authority to more States, turning Executive Order 13274 into statutory language (it establishes priority projects for expedited review), designating projects of national significance for priority interagency consideration, and allowing more advance design and right-of-way acquisition work prior to the completion of the NEPA process.

Planning

The Highway Users Alliance supports a streamlined transportation planning process that includes *consultation* with a wide-range of interested parties, and ensures that representatives of motorists, private bus companies, truckers, and other highway user fee-paying groups are at the table.

However, with money in short supply and time of the essence, Congress should avoid the addition of any new, additional planning layers or mandate *cooperation or coordination* with more reviewers. Transportation planning is already extremely complex and federal mandates that slow the process, give new actors veto-power, reduce the primacy of transportation considerations in transportation plans, mandate experimental planning techniques, or create additional hurdles for USDOT to approve plans must be avoided. Slowing the planning process would negate the positive time-saving effects of the "Accelerating Project Delivery" provisions that we so strongly support. We urge the Committee to avoid more delays and federal requirements in state and metropolitan planning.

Research & Education

The Highway Users Alliance strongly supports a world-class transportation research program. In SAFETEA-LU, research was oversubscribed and funding was cut across the board, which shortchanged many worthy programs. We strongly support the Committee's plan to focus funding on key national research areas. We have been disappointed by delays and incomplete research under SAFETEA-LU, including incomplete Highway Statistics Series reports, internal DOT problems identifying funding for the National Household Travel Survey, inadequate pavement and bridge research, a shortfall in funding for the motorcycle crash causation study as originally envisioned, insufficient safety data analysis on injuries, and the elimination of mode-subsidy analysis from recent BTS reports. There is a clear federal role for national transportation research and we are pleased that the Research Title is included in the Committee outline.

Conclusion

This Committee has an extraordinary opportunity to help improve the economy, reduce congestion, and save tens of thousands of lives by expeditiously authorizing MAP-21 with a reformed, streamlined, robust highway and transportation program.

The American Highway Users Alliance greatly appreciates being your partner in this effort. We are confident that you will be able to get the bill done this year. Our members, and 15,000-strong grassroots network of highway enthusiasts, stand ready to help provide the support you need– both inside-the-beltway and outside-the-beltway – to get this legislation enacted.

Thank you again for the opportunity to testify.

Senator BOXER. Well, thank you very much to all of our panelists.

Mayor, I do have some questions for you, so don't go just yet.

I want to just say that I thought, Mr. Cohen, you really brought it home to me, that a lot of the reforms that are in this bill, probably all of them, and there are many, really came from the people out there who have been working on various commissions and committees, and have worked with us on both sides of the aisle. And we really appreciate it. And what we were able to do was look at all these proposals and finally do something about this program which, let's just say it was sprawling. It was just too many little things. And we managed to consolidate and save the things that we worked hard together on.

There were some differences here. We gave and we took. It was hard. But I think at the end of the day we managed to get this together.

Mayor, I want to make a point here which I know you agree with. The basic Highway Trust Fund, that is how we fund, that is the bread and butter. It is what Mr. James referred to, it is what Mr. Ridley referred to, all of you have referred to it, most of you have referred to it. That is the bread and butter program that we are talking about.

And that is why I appreciate all the new ideas that are coming forward, and by the way, support them, I think, whatever they are. But we can't allow those ideas, whether it is an infrastructure bank or anything else, to replace the basic funding mechanism we have here. And I know that Senator Baucus has on his plate, as soon as we act, he is going to do everything in his power.

But you need to help him, support him, and I say this as someone who has been around here and on this committee since the day I came to the Senate, so that he and his members feel, and Senator Carper is on that committee, I don't know who else here is, but the bottom line is, they have to feel that this is a priority.

I already feel that, because working for a year doing the conference calls with you, you must have been sick of me already every other week on the phone talking about where are we and how can we move and all the rest. Well, I felt the support.

But the support now has to continue with this committee, but also with the Finance Committee. Because if they don't sense that America wants this, it is going to be very difficult.

So I want to make that case. As of today, I think you have seen this bipartisan support here. So Mayor, I want to thank you personally, but also your organization now that you head, the Conference of Mayors. Because you are bipartisan mayors and you have worked with us, very clearly. And you have worked with us on the need to have a strong core bill, which is maintaining the levels that we have now. And you have worked with us also on Safe Routes to Schools, because that is so crucial, and bike paths, and we kept it, and recreational trails, and we kept it.

Tough, tough debates, giving here, taking there. But that has remained in the bill.

I want to ask you a question about TIFIA. For the information of all Senators, because this is so, to me, so exciting. When you came to me 2 years ago with your bipartisan group, you had labor, you had management, you had chamber of commerce, everybody. And you said, Los Angeles has passed a half cent sales tax, and we have a list of programs, I think you said nine that the people said they want to do. But it is going to take us 30 years to get all the funding.

And you, Federal Government, if you could come up front and help us at the beginning and move these projects forward. You know you have a steady stream of income coming behind it. Would you be willing to come out.

And then we talked about it, and I went to Senator Inhofe and I said, here is an idea whose time has come. The cities and the counties all over this Nation are stepping forward. But it takes time to get the dollars in. So through the existing TIFIA program, and I give credit to my chief of staff and chief counsel, Bettina Poirier, for saying, you know, I think there is already a program here. It is small, but it could meet the needs here. We were able to help already with one project.

And I wonder if you could just explain to my colleagues now, because they support this robust, and so does Chairman Mica, robust increase, how TIFIA works and what it is enabling your city to do, and of course other projects were funded also through TIFIA. And also if you could speak to some of the reforms, if you are familiar with them. If not, we will put those in the record. Go ahead.

Mayor Villaraigosa. Yes, thank you, Madam Chair. And again, I want to thank you and the committee for the work that you did on this issue.

L.A., in the middle of a recession, with a two-thirds vote with bipartisan support passed a half penny sales tax that generated, as you said, $40 billion, to double the size of the rail system, 12 rail projects. But also to invest in highway repair, bridge repair, expansion of HOV lanes, HOT lanes throughout the region. It became crystal clear when almost days, weeks after the passage of that bill, when people would walk up to me and say, Mayor, where is the subway you promised? I would have to explain to people that it was a half penny sales tax, not a ten cent sales tax and that money would generate over a 30-year period of time.

And as you said, working with you and your office, we began to look at innovative financing tools. Because we knew that this day was coming, that the conversation around the deficit and the debt was such that people here in the Congress didn't just want to rely on programs that provide grants. And what is great about this specific program is that there is a 30 to one leverage.

In our case, and in the case of cities and counties across the Country, and States, if you have a revenue pool from which to invest in, a stream here, you can leverage that, get a loan and pay it back. As you know, we already have done that with you, a $546 million loan for the Crenshaw Line. We are now in the pipeline, a finalist for a $646 million loan for a subway.

And the reason why we are qualifying in the way that we are is we are putting up our own money. So at a time of high deficits and debt, what it encourages is that the responsibility not just be on the Federal Government.

Now, I associate my remarks or support for Ms. Martinovich, who said, we don't want this to be in lieu of a Federal commitment.

We understand how important that is. But at a time when we are all debating deficits and debt, this is a creative way to incentives localities. And by the way, if you ask someone in L.A. and Detroit, in a small town, wherever it is, if they would rather support a local tax or bond or a State or Federal one, they are almost unanimous in their support for a local one, because they want to see their dollars come back to their neighborhood.

So that was the idea around TIFIA. In addition to that, you have responded to a number of other changes. Instead of just going for 33 percent of a project, this could go up for 50 percent. Also we could do multiple projects here. You could get advance notice, or advance, I forget the exact term, but an opportunity to get up-front credit going forward on multiple projects, which would help us as well. And that is the thinking behind it.

And I do want to say one last thing, and I know Senator Baucus just walked out, to really make this work, getting a transportation bond program could really enhance all of this as well. Also have a great deal of leverage, also promote public-private partnerships and the like, to really help us, particularly during these tough economic times.

Senator BOXER. Thank you, Mayor.

I am going to turn it over to Senator Inhofe for 8 minutes. I just want to say here to my colleagues, when we were able, when the Department of Transportation made that TIFIA loan to Los Angeles, $500 million, the score was $20 million. It was barely anything. The reason is, it is a dedicated stream of funding, the people vote for it, it is going to be, it is hardly any risk at all. That is the exciting part of TIFIA, and why I am so grateful. It doesn't replace the core programs, but in these times when you hear Mr. James talk about layoffs and worries and the rest, and we know construction is still down, this will give us a chance to even do more than we can do with the basics.

The last thing is, we did reform TIFIA also to allow rural areas to be able to move forward here with practically no interest rate. So I think it is terrific.

Anyway, I give you 8 minutes.

Senator INHOFE. Thank you, Madam Chairman.

We went through this back in 2005. At that time, we were majority and I was the Chairman. We had a successful effort then. But that was $286.4 billion, I believe. Initially it was going to be a 6-year bill and then a 5-year bill, I guess.

And yet, at that time, we had really good testimony. I remember some of you, maybe some of the same ones, I think, Gary, you were here at that time, saying, that amount of money really just maintains what we have now. It is just, and so what we are talking about here, it is not as if we are saying that to drop $12 billion over a 2-year period is going to inflict some kind of hardship. We are saying, even at the full funding, it is not adequate. And that is coming from a conservative. And I feel strongly about that.

I remember so well when they had the $800 billion stimulus bill. And we were down on the floor, and I couldn't believe that only, as was mentioned by Senator Sessions, only 3 and a half percent of that actually went to what we are talking about today. And so we had an amendment, you talk about being bipartisan, the Chairman and I had an amendment, and I am going from memory now, it was $29 billion, up to $79 billion. I was going to ask, where do you think we would be today if we had been successful in that effort.

But that still would have been only 10 percent of the $800 billion stimulus. It is just mind-boggling to me, it would have been such an easy thing at that time to do, that we didn't do it. We just don't want to make that mistake again.

I am going to start with Secretary Ridley, because we talked about this before. I think that Ms. Martinovich would agree that how this affects Oklahoma would affect probably all the rest of her member States. In the event, Gary, that we had to do the 34 percent cut from current level, and that is what we are talking about, specifically what would that mean in Oklahoma?

Mr. RIDLEY. Thank you, Senator.

Certainly, the impact would be devastating to our 8-year construction work plan. We put together an 8-year plan that is fiscally constrained based on the moneys that we receive at the State level, as well as the anticipated revenues at the Federal level, considering current statutes, current law.

So if you have a basically one-third reduction of the Federal funds and the Federal funds make up 60 percent of our 8-year construction work program, one would have to, if you do the math, you are looking at somewhere around $750 million to $800 million would come out of that 8-year construction work program. So you have about a 4.1 program would have to be reduced by $800 million.

Certainly there are some projects that you could probably look to rescope and reduce the length of them. But in that program, we have 650 bridges that we will either replace or rehabilitate. I can't reduce the length of those, as you might expect. They are what they are. And it would certainly put all projects within that 8-year program at risk of being either reduced in size or scope, or being pushed either out of the 8-year program or certainly being moved.

Senator INHOFE. Would there be a specific program in our State of Oklahoma that you could just real quickly address as to what difference that would make in that project? We have, as you know, some huge ones in Oklahoma City and Tulsa and elsewhere.

Mr. RIDLEY. And you are absolutely right, Senator. We have a project in Oklahoma City, it is the relocation of the I–40 crosstown bridge. And we are getting close to being able to take traffic off of that critical bridge and get them on a new mainline. But with that, it requires us to reconnect the downtown area of Oklahoma City back to InterState 40, InterState 235 and InterState 35. We are scheduled to have that completed by 2014. One would imagine that again, that project and those series of projects would have to be delayed.

In Tulsa the same way. We have a section of interState commonly referred to as Skelly Bypass, Riverside and Yale, that is a $340 million project, that we have the last project that is scheduled for letting about this time next year. If we have this major reduction in Federal funds, one could imagine that could very well be a project that we would have to delay.

That is the oldest section of interState that we have in our system. In fact, it was in place before the interState system was established. So it was supplanted on top of an existing highway. High accident rate, high severity rate and high fatality rate in that area. And some of the worst in our interState system. Delaying completion of that project would not only cause additional costs, but certainly you could expect to have additional accidents, both personal injury and maybe even fatalities, any delays that we would have you could certain expect that.

Senator INHOFE. And I would like to ask Mr. James or it could be just about anyone, the alternative, if we were to deal with just more extensions, and even if the money were the same amount, in addition to just the reforms that we have in there, what other problems, Ms. Martinovich, do you see that would be there? In other words, we spend the same amount of money but we do it with extensions.

Ms. MARTINOVICH. Thank you, Senator.

The biggest problem is not being able to plan. As a transportation official, I don't know when the money exactly would come or even how much, because of what the unknown times are, or what the criteria is. And assuming it is all the same, I still will be hesitant to put out any projects that are past that, not knowing if I am going to be reimbursed on time. And then supplementing, paying those contractors with our State money.

So it is a balancing act and a planning act. So if I can't plan, how can our customers plan? How can the contractors know and set up their resources? How can the supplies even be available not knowing, do they make a lot or do they be reactive?

So then that delay could impact time.

Senator INHOFE. That is what I am trying to get at, because we have a lot of things, the predictability that is in here and how that translates into what we are going to be able to get from a bill. We have the flexibility in terms of the States' activities and these things. So I guess what I am saying is, we have a lot of really good reforms. Some of them were easy. Some of them we didn't agree on in the beginning. But that to me was almost just as important as the amount of money to be able to predictably see it.

I am going to thank you, Mr. O'Sullivan, too. My time is expired, but I just want to tell you that I appreciate your being here and bringing to the table the fact that we have thousands and thousands of jobs out there. I often wonder, and maybe you put the pencil to this, I don't know, but if we had been successful in changing that $29 billion to $79 billion, how many more jobs today would there be actively working on?

Mr. O'Sullivan. If we used the statistics of 34,000 jobs created for every billion, there would be an awful lot more jobs. There would be less unemployment in the construction industry. And the question about what would happen as far as the State department of transportation, from the labor perspective, we already have a 15.6 percent unemployment rate in the construction industry today, down from 20 percent, 1.3 million construction workers out of work. From the unionized sector, we have lost 30,000 members in the last 2 years. And unfortunately, over half of those were construction laborers working on heavy and highway projects that had eight or more years of service in the industry.

So as the unemployment rate goes up, this has been a sustained depression or recession in the construction industry, one that we really haven't witnessed in a real long time. And we are seeing an exodus of skilled craftsmen and women leaving the industry that makes it difficult when the money is there to revamp and to rebuild the crumbling infrastructure in this Country.

So the skills drain in this Country because of the prolonged recession in the construction industry is a real problem.

Senator INHOFE. I appreciate it.

Senator BOXER. I so appreciate your asking that question.

Senator INHOFE. Our witnesses here, this is really unusual. We have everybody covered here. So I express to you my appreciation for working on this input that we are getting.

Senator BOXER. Well, it is extraordinary. I went, about a year ago, to a job retraining center in the Central Valley. One of the programs was learning how to chef. And I went around the room and at least in that room of about 25, 30 working people, were at least 10 who said they were construction people. Imagine. And they just plain had given up.

So your point is poignant and it is accurate. I thank you for it. Senator Merkley?

Senator MERKLEY. Thank you very much for your testimony and thank you, Madam Chair.

I really want to make sure we understand fully the job implications. I have heard the estimates ranging from 700,000 jobs at the high end, 500,000 jobs. Can a couple of you who feel like you have a real handle on these numbers help us understand if we don't get this reauthorization and we have this roughly 35 percent drop?

Mr. JAMES. Certainly I can speak for my company, my customers' companies and our suppliers' companies. We are staffed at a level today that is in anticipation of maintaining the current level of funding. If for some reason that declines further, we unfortunately, and our customers and our suppliers will also have to take further reductions to remain economically viable.

We have no other choice. That is our only option. So this is not a theoretical job loss issue. It is real, these are human beings. These are members of Mr. O'Sullivan's union and others who we will not have work for if this Federal program is not maintained at current levels.

Mayor Villaraigosa. Senator Merkley, the number that I mentioned earlier was with a 36 percent cut, about a 630,000 job loss. To our agency alone, the L.A. County Metropolitan Transit Authority, about $1.4 billion. So it is a very, very sizable impact on the job market, but also on our ability to fund important projects.

Senator MERKLEY. Mr. Ridley?

Mr. RIDLEY. Senator, a lot of talk and a lot of discussion has centered around, and rightly so, on the current job situation in America in all our States. And that is certainly an area that we look at in the short term, especially for creation or sustaining jobs in the construction market.

But to me, the idea of investing in ourselves and investing in the infrastructure establishes much more than that. Exponentially more than that. If we think about the investment that our Nation put into the interState system and where we are today with the economy and where we would be without it, I think that rebuilding our system, our national system, if you will, to get it back to where we were or better than where we were 20 years ago will create that investment along those corridors like we haven't seen in a long time.

So I think that the economic vitality of this Nation is totally dependent on how well we do our job as far as the infrastructure is concerned.

Senator MERKLEY. Thank you. I certainly agree that investing in our infrastructure is absolutely critical, critical to our economy in terms of job creation and critical to our future economy in terms of our ability to transport goods and people. We recently had a bipartisan delegation that went to China, and it had been 14 years since I had been there. In those 14 years the amount of infrastructure that had been built was massive. The estimates I heard have ranged from 10 to 12 percent of GDP being invested in infrastructure.

To ride a 200 mile per hour train out of Beijing to Tianjin was kind of a startling feeling. I have never had the chance to set foot on a 200 mile per hour train here in the United States. To see the amount of light rail transportation and the amount of road infrastructure that had been constructed in a decade and a half. I think the estimate is we are spending 2 percent of our GDP. And we are barely maintaining the infrastructure we have.

And so I want to applaud all of you for bringing your testimony today. I want to applaud the Chair and Ranking Member for working together to try to figure out how we can sustain our investment. Because in my opinion, this is simply the minimal acceptable approach, that in fact we should be figuring out how we can spend, and someone referred to building bridges in Baghdad rather than building bridges here. That was a very poetic way of putting it.

But we need to figure out how we can invest far more in our infrastructure here. Thank you all.

Senator BOXER. Thank you so much.

Senator Whitehouse?

Senator WHITEHOUSE. Thank you, Chairman Boxer, for holding this important hearing and for the hard work that you have put in to create such a broad spectrum of consensus on this point that is reflected in today's panel.

We obviously are facing a very serious shortfall in transportation funding. In Rhode Island, one in five of our bridges are presently structurally deficient. That is the fourth highest ratio of any State. Sixty-eight percent of our roads are rated in poor or mediocre condition. And 37 percent of our major urban highways are congested. There is a lot of work that needs to be done.

Estimates are that to bring Rhode Island's highway system to a State of good repair, we would have to double our current spending levels for 10 years. But against that backdrop, the House of Representatives, the Republicans in the House of Representatives, have proposed a budget that would cut current transportation funding levels by more than a third. This obviously would have a devastating impact on the economy, a devastating impact on jobs.

Rhode Island's unemployment rate is the fourth highest in the Country. And this cut would lead to the loss of 3,500 more jobs in Rhode Island.

So it is totally unacceptable. And I applaud, again, the Chairman, the Ranking Member and Senators Baucus and Vitter for their work to bring us to this point.

The question that I would love to ask, let me ask Mr. O'Sullivan, representing one of our strongest labor organizations, and Mr. James, representing a very strong and successful private sector corporation with interest in this area. Have we done a good job in Congress at distinguishing between spending and infrastructure spending? I think of a family that has a moderate income and they discover that they have a significant problem in the roof of the family home. You could ignore that, you could sit around the kitchen table and say, you know what, this family is spending too much. We are not going to spend to fix our roof. That would be wasteful spending.

Well, the water would continue to pour through the roof, the damage to the house, a family asset, would continue. You could easily see a circumstance in which the smartest decision for the family would be to go to the credit card, fix the roof, protect the asset, save money in the long haul. And that is a very, very different family decision than saying, you know what, let's take the same credit card and take the whole family to Walt Disney World for a week.

Some people here in Washington don't seem to be able to distinguish between those two kinds of spending. One is money out the door, and the other leaves you with a national asset that you can go out and touch, a bridge, a highway, a high speed rail system, an improved airport that runs on digital technology instead of cathode ray tubes when it is bringing in the aircraft safely to our landing strips. I would love to have the thoughts again of Mr. O'Sullivan and Mr. James on that distinction between spending for spending's sake and spending to strengthen America's infrastructure and our common wealth, to use an old phrase, as a Nation.

Mr. JAMES. Thank you, Senator Whitehouse, for the question. Having spent a lot of years in the business world, where we invest heavily in large plant and equipment, the answer to that question seems so obvious. When the United States spends money building infrastructure, you have created an asset. That asset lasts literally for decades. We are all traveling on a Federal interState system that has been in existence now, in many parts of it, for four or five decades. It is a real asset.

Unfortunately, there is not a Federal balance sheet like there is in the private sector, where we can look at our investments over the last 10 or 20 or 30 years and say, here is a real asset, it is producing economic efficiency, it is producing revenue, it is a long-term value-enhancing asset. Somehow we don't see that, or that doesn't seem to enter——

Senator WHITEHOUSE. Indeed, we have no capital budget in the Federal Government to work with to accomplish that.

Mr. JAMES. Yes.

Mr. O'Sullivan. Senator, thank you for the question as well. Nice to see you.

We talk about accountability. I think we all believe that whatever money we are going to spend on infrastructure, there has to be accountability, it needs to be targeted and we need to be able to feel it, touch it and see it at the end of the day and that it has an impact on our economy, it has an impact on our infrastructure and it has an impact on putting people back to work and our ability to move goods and services across the Country.

I also think that what we need to do is a much better job of the general public realizing, we talk about statistics like 27 percent of our bridges are structurally deficient or functionally obsolete. But people keep driving across them without any real knowledge.

We did a campaign called Build America campaign. And we took out billboards in a number of places across the Country and showed the undercarriage of a bridge that was rotting away, because you can't always see it from the top down, and the impact. It was a union-funded campaign, but it was a campaign to inform the general public about the sad State of our infrastructure, of our bridges in this Country.

If we don't get it in Washington, sometimes, I think what we need to do is take the message of the crumbling infrastructure across this Country so people realize the State of affairs, that we do have a $2.2 trillion problem. I even commend this committee and Chairman Boxer again on your leadership on this issue. But we all agree that this is a starting point and we know we need to do even more.

But I think what we need to do is we need to make sure that people understand the State of affairs and the reason that we need to invest in infrastructure, because it affects their livelihood. That campaign really highlighted it for the general public that we put out. We got more calls, not from members, but from the general public saying, I can't believe that bridge is in that repair, because they couldn't see it driving over it. But we had taken pictures above.

Senator WHITEHOUSE. Madam Chair, if I could conclude by echoing what Mr. O'Sullivan just said, if you go into the Providence Place Mall, which is the big downtown shopping area in Providence, the highway 95 goes by on a large bridge, a viaduct. And you go around and underneath it to get into the parking area in the mall. If you look up, you will see planks put across the I beams that support the bridge. The plans are there because the bridge is falling through, and the planks stop chunks of the bridge that fall through from landing on the cars as they go by.

That is the State of the main artery going up the northeast as it goes through our capital city. Thank you very much.

Senator BOXER. Senator, that is a visual that we need to be reminded of. I think Senator Inhofe talked about a tragedy that occurred in his State when a piece of concrete fell on a young mom who was walking past, and she is gone. This is our responsibility, frankly, I mean, our committee's responsibility. And I so appreciate that.

I think when we get to our markup, before we leave here, I think we should try to get a few photographs of this example and others, just to keep it in the front of our minds, maybe from Alabama to California and every other place, that is a stark reminder of what we are dealing with here is really life and death and safety in addition to the jobs and the movement of goods and freight and the rest of it.

Senator Sessions?

Senator SESSIONS. Thank you.

We had some of the top appointments to the Defense Department, and as a Budget member I had to warn them that they had to tighten their belts like everybody else. So we are all in that mode.

I think that we need to do our dead level best to maintain the kind of funding this committee proposes. Whether we can do that or not, I am not sure. We are in worse shape financially than most people realize. We are borrowing literally 40 cents out of every dollar. Cities, counties and States have been used to repairing to the Federal Government to ask them to help when they live within their budgets. And they know we don't have to live with ours. So we will just be a source of money. And it is a very, very difficult thing.

So a number of things that I believe the bill attempts to do and I think can be helpful is to reduce some of the delays, some of the roadblocks and problems, and that reduces cost. Mr. Ridley, I guess you testified about that earlier. But delays do drive up costs. And it means you get less miles constructed of roadways as a result. And regulations also can drive up costs. Do you agree with that?

Mr. RIDLEY. Yes, sir, Senator, you are right on target. As we talked about, it is not only the cost of delays for putting people to work, it is not only the cost of delays for increased inflation. But the real cost is for the road user that may have to have a structurally deficient bridge that is load posted and have to take a detour around that with a heavy load. It may be where school buses can't cross over bridges simply because the average load of an average school bus is about 15 tons. So many bridges rated under that, they cannot cross it. It may be the shippers that are trying to get from one side of the State to the other who are not able to use a system because of delay costs.

But more importantly than that, Senator, it is the accidents, the fatality accidents, personal injury accidents that happen on those roads and bridges simply because we have been unable to fix the problem we know exists.

Senator SESSIONS. And when people, it takes time out of their day, commuting or even carrying out business functions.

Mr. James, I remember several years ago Birmingham had a serious interState problem, a wreck, I believe, caused it. They put it on an accelerated repair schedule and they gave rewards to the contractor for coming in under time. What was your recollection of how that came out?

Mr. JAMES. It came out beautifully. A good customer of ours repaired the bridge. They worked 24–7, 7 days a week, they brought a lot of labor in. And they got the bridge repaired. It was destroyed by a fire. And it was back in service, I think, within 90 days or less. And the contractor earned a very nice premium from the Alabama DOT for completing the project on spec and early.

Senator SESSIONS. And accelerated timeframes don't always drive up costs, either, do they?

Mr. JAMES. Probably they make it dramatically more efficient, because the contractor could mobilize, bring the work force in, finish the project, demobilize as opposed to stop and start construction, which has often occurred.

Senator SESSIONS. I think some of our Governors and politicians, they promise 20 roads and they have money to complete 10, and they start 20, and it takes twice as long, and sometimes that drives up cost. I am not accusing anybody of anything. But I do see a lot of roads that are partially constructed with grass growing up and months going by.

Mr. JAMES. Senator, if I could, I think it is the duration of a program that is really the key to efficient construction. So that a project can be started and completed within the duration of a multi-year program. And I think that is a huge key.

We are all supportive of the 2-year bill that this committee has reported out. But ultimately to get efficiency in the highway program, there has to be a multi-year bill.

Senator SESSIONS. Thank you for sharing that. We will have to look at some things. I know the President believes in high speed rail. I think that is not yet proven, and it is very, very expensive. Certain rail projects in high population areas I am sure can be worthwhile. But I think we will have to look at that as part of our projections as to how to, is that the best place to spend our dollars right now, when people, commuters are blocked significantly. So we will be looking at those issues and the regulations, trying to get more bang for our buck, as well as trying to preserve the amount of money, preserve the funding that we have.

My time is up, Madam Chairman, thank you.

Senator BOXER. Senator Sessions, I want to pick up on a couple of things. You are so right, if we build incentives into completion on time or ahead of time, it helps. With this whole Carmageddon thing, we also had the contractors finish ahead of time, got a bonus. When Pete Wilson was Governor, he put that into play after one of our series of earthquakes. It was remarkable how that incentive worked.

And that is what we have tried very heard to do, is to give, let's just say disincentives to agencies around here to sit on their butt and not do what they have to do to move things forward, without taking away the rights of people, still giving them their full right if they feel there is an environmental issue. OK, bring it up, but we can't string it out forever. I think that is an important reform that we did.

I wanted to just, before I call on Senator Carper, to tell you, you are so on track when you talk about the wasted time. The Texas Transportation Institute always does a study about this very issue. And their latest study was finished in 2010. This is what they said: "Americans waste 4.8 billion hours a year sitting in traffic due to congestion. This translates to almost 4 billion gallons of extra fuel consumed and $115 billion cost to the Nation when cost of fuel and lost productivity are factored in.'

So when we talk about what our priorities are, and I couldn't agree with you more, this is a question of priorities. If we allow the Highway Trust Fund to expire, the authorization to expire, and now we see a 34 to 36 percent cut, disaster, that is what would happen. It is so counterproductive, because you wind up, this is one of those investments that the dividends paid are very clear. But it is true, we have to make reforms. We don't want to have a program going that is not efficient.

The reason I am so proud of the work we have all done here together is we have taken all of the recommendations from a lot of the people sitting here, business, labor, environmentalists also, who have helped us to work together across party lines to come up with a bill that is going to address those issues that you talk about, the wasted time.

But at the end of the day, we have to determine, as Americans, and we representing the American people, if investing an additional $6 billion a year for 2 years makes sense. I can honestly say, in the size budget that we have, we are going to have to figure this out.

I don't know if you were here when I pointed out that the Gang of Six, which was first a Gang of Six, then five, now it is a Gang of 42 or whatever it is, they actually do mention only one spending priority, and that is the Highway Trust Fund. They instruct in that particular document the Finance Committee to fund the Highway Trust Fund at the current levels for 10 years. And they say how much it would cost.

I think Senator Inhofe was very happy with that, because I think it showed a bipartisan consensus building. But we all face cuts in our future. But in this particular arena, if we were to allow the draconian cuts that appear to be on the horizon if we don't act, it is terribly counterproductive, 620,000 jobs lost in 2012 alone. That is not a guesstimate, that is a true estimate. And we have seen business and labor today confirm that it is just a crisis out there.

So I know how you are wrestling with this whole issue of, we need to do this but how do we do it. My opinion is, there are certain areas of the Federal Government that some of us don't think ought to grow. We may have different opinions on a host of them. But on this one, I think we should build on the bipartisanship we have. We have to do this. Because if we don't do this, it is counterproductive. People are going to lose their jobs. And I am not being melodramatic, they will lose their lives. We have seen too much of that.

And we will not be able to compete in the world. So I look forward to working with you. And I am with you, I am going to do some tough, tough cutting. We have no choice, we have to do it.

But we also need to be smart about how we do it. So I just think you have been very helpful today, and thank you for being here. With that, closing up shop today, Tom Carper, please have 10 minutes, since we have all taken a lot of extra time.

Senator CARPER. Gosh, I don't know what I would do with 10 minutes. I will figure it out. I will do two opening statements with that time, and 17 questions.

[Laughter.]

Senator CARPER. Thanks, Madam Chair. Thanks for pulling this together, thanks for working so hard and your fine leadership and working with our colleagues to your right and to your left.

I really appreciate very much the witnesses being here. Thank you, some of you have been here before, a number of times. We are grateful for your advice to us and your responses to our questions.

Senator Boxer was just mentioning how much time we waste sitting in traffic jams around this Country. Every year, I think, you may have referred to it, I think it was a university down in Texas that actually figures this up every year and tell us how much time, puts a price tag on the time we waste. There is, running up and down through the east coast of our Country, as we all know, is I–95. It starts in Florida, ends up in Maine and runs through Delaware and cuts the northern part of our State in half. For as long as I can remember, I came to Delaware right out of the Navy in 1973. We had I–95 then, we had a toll plaza right along the border between Maryland and Delaware.

During weekends, especially summer weekends when a lot of people were trying to get to the beach, going up and down the northeast corridor, holidays, we always had backups, traffic jams around I–95. Right as you were coming into that toll plaza, coming into Delaware, going out of Delaware into Maryland.

And one of the things that I got to do as Governor was to introduce new technology, EZ Pass, to be able to expedite, at least somewhat, the movement of vehicle through I–95, and to increase the number of lanes, booths and so forth that we could try to move people through. I always felt very badly about saying to people who were traveling up and down I–95, trying to get through our State, not only do you get to sit there and wait for a while for the privilege of coming through Delaware, but you have to pay for that privilege. I thought that was abhorrent, so we worked on EZ Pass and made, I think, some improvements.

But as time goes by, more and more traffic comes through. We get about 140,000 vehicles a day that come across the border from Maryland into Delaware going the other way, 140,000. And one of the things I sought to do here in the Senate was to garner support, through a series of earmarks, for a highway speed EZ Pass, so we would have two lanes northbound, two lanes southbound, and be able to really move traffic. It turns out about 55 percent of the vehicles going up and down I–95 through Delaware have EZ Pass.

If we could just move most of the folks, over half the 140,000 vehicles onto EZ Pass highway speed lane, we help ourselves in a variety of ways. We reduce the amount of time people waste sitting there trying to get through my State. We reduce the amount of fuel that we waste. We reduce the amount of air pollution that comes from all the cars, trucks, vans and so forth that are sitting there trying to get through my State.

And we would actually promote the public safety. If you have ever noticed, coming into these toll plazas, you have people darting from one lane to the other, trying to get through more quickly and so forth. So it works on four different points.

We finally did it. We used money from the stimulus package and finished, it took a while, we had to work with the folks from Maryland, they were very helpful with us, working right along the border. But we opened it up on the 4th of July weekend. And the Governor and I got to do a cool event, we actually have this arc that kind of goes over I–95 right where the toll plaza is, you can actually walk up through there. We took some camera crews with us and opened it, opened up the sides and you could see the traffic coming from the north and heading south and everything and the other way. On the 4th of July weekend, that weekend, 4th of July was on Monday, but it was like maybe Friday the 1st. No traffic jams. Saturday, no traffic jams. Sunday, no traffic jams. Fourth of July, no traffic jams, day after, no traffic jams for the first time anybody can ever remember we had no traffic jams.

That is an investment that is not just a two-fer or three-fer or four-fer, but it yields fruit in so many different ways. Cost about $30 million, but the fruits are great, the headaches will be greatly diminished. That is a smart, smart investment of public dollars, I think, not just for us in our State, but for people who go up and down the east coast.

And as we prepare to spend money, Madam Chair, transportation dollars in the next version of our transportation infrastructure bill, I hope that we will try to figure out how to use money not just to hand it out for formula grants, but to be able to disburse the money in ways that actually meet the objectives of our Nation, reduce our dependence on oil, especially foreign oil, reduce air pollution, reduce congestion and enhance safety. Those are pretty good goals for us, and I would hope that we keep that in mind.

And the other thing I would say, our Chairman referred to the Gang of Six. Gang of Six really flows from the Erskine Bowles-Alan Simpson led efforts of a year ago, and the deficit commission created by President Obama. One of the things the President has called for, and it is supported, I think, by Bowles-Simpson, et al., and I think by the Gang of Six, is while it is important for us to reduce our budget deficit, if we don't, we are doomed. We need a comprehensive, we need a bipartisan approach. There are things I didn't like entirely about the Bowles-Simpson proposal, but there is a lot of good there. Same with the Gang of Six. We just need to set aside our differences and deal with these issues straight up, try to do more good than bad.

One of the things that, if we pull back on the spending, erase a few dollars in revenue, one of the things I think is important is do what the President suggests. He says if we are going to win in the 21st century, if we are going to out-innovate, out-educate, out-compete the rest, we have to, as we reduce spending, the global spending, certainly, that we have to continue to invest in three areas. No. 1, work force. We are not going to be competitive without a world class work force. No. 2, R&D. R&D that has the potential for being commercialized, leading to new innovations, new products, that we can make in this Country and sell all over the world.

No. 3, infrastructure. No. 3, infrastructure. And if we don't have a modern infrastructure, whether it is roads, highways, bridges, trains, rail, ports, all the infrastructure broadly defined, we will be a second class nation some day. Hopefully not in our lifetimes or our children's lifetimes, but some day we will. It is just critical. And thank you for reminding us of that.

But as we go forward and invest in infrastructure, it is important for us to invest not just in transportation, not just in domestic spending, not just in defense spending, everything we do, health care, everything, we need to find out what works and do more of that. Invest in the things where we get better results for less money or better results for the same amount of money. That kind of goes back to the example I used with highways speed EZ Pass.

OK, question. I am sure you gave me those 10 minutes, Madam Chair. Got that off my chest.

This is a question of Deron Lovaas. The question to you is maximizing return on investments. With new transportation funds in, as we know, short supply, we cannot fund every transportation project. We have to support the projects that give us the most bang for the bucks, the point I was trying to make earlier. Scenario planning is a proven approach that identifies the costs, performance and tradeoffs among investment alternatives.

For instance, the Delaware Valley Regional Planning Commission uses a strategic planning process that compared alternative investment approaches. As a result, the region was able to accommodate expected new growth while reducing congestion, pollution and transportation costs for our families.

Should more States and cities use this common-sense approach to make the best use of constrained funding by targeting our infrastructure investments?

Mr. LOVAAS. Well, the short answer is yes. More States, as well as regions, should use this tool. There are already several regions that are doing so, both big and medium sized, and finding that there are huge potential savings based on infrastructure that does not have to be built by engaging in scenario planning. Corporations do it, Fortune 500 companies do it, there is no reason that government shouldn't learn from them.

So it is important. And actually, in addition to encouraging more of that with the new law, under current law there are requirements that plans and programs be fiscally constrained. I think it is a good question to ask of the Federal Highway Administration and the Federal Transit Administration whether or not that is actually the case. Because NRDC and I would like to see a lot more investment in this program. And let's be clear, we are probably going to have to make some cuts as well. So it makes sense to take a look at plans and programs and make sure they are fiscally constrained.

Senator CARPER. All right. Thanks so much.

The last point I will make in my last 40 seconds, in Delaware, when I was Governor, we used to say, if things are worth having, they are worth paying for. Things worth having are worthy paying for. And we could have borrowed money until the cows came home to put into our transportation trust fund to fund transportation projects. We didn't do that. We did some of that, but we actually raised revenues. We raised revenues in part by easing up a little bit the tax on gasoline, still to be competitive with the rest of the region. And we used other sources of funds, user fees, if you will, that were transportation related.

At the end of the day, we need to raise some revenues. We need to raise some revenues as well. It would be smart if we could raise revenues in a way that actually reduces our dependence on foreign oil and actually encourage us to be more conscious of the need to conserve. So I would leave us with that, and with that, my time is expired. Thank you so much, Madam Chair. Thank you all.

Senator BOXER. Senator, thank you so much for your leadership on this committee. It is so important. The fact that you are also on Finance is key to us, because we have reached a milestone today in the bipartisan support for this bill. And we must get that same sense of bipartisanship in the Finance Committee, because these are tough times, but we know that if we fail to act, we are inviting unemployment. We are inviting second class economic leadership. We are inviting, it is not like we don't know. It is not like we are walking blindly into something. We know what the options are.

What I would like to do in closing today is to go through this panel. I know the Mayor is gone, but I know he has told me he is utterly committed to this. We have starkly different approaches going on in the Senate and the House right now. And I don't think it is necessary to bemoan that fact, but it is necessary to recognize that fact, that we now have the House proposed bill which slashes spending in this area by between 34 and 36 percent. We have the budget passed bill over there, which does the same. We know we have a looming deadline which does the same.

So we have three ways to go that will result in a cut of more than a third, and disastrous consequences that all of you have spelled out, regardless of your views on the environment or politics or whether you like the President or you don't, or you are Republican or Democrat. This has nothing to do with any of that.

And I guess what I need to hear from you today, in the most unequivocal way, if you can do this, is to tell me whether you are willing to be part of a team that is going to move forward with this bipartisan bill. This is not going to be easy. But it is necessary. It is necessary for the economy, it is necessary for the environment, it is necessary for competitiveness, it is necessary for safety. And there are a lot of other necessaries. It is necessary to make sure that for a couple of years, the States know how to play. We have heard from two incredible people here who deal with the uncertainty of this every day.

I remember once before when we weren't going to act on the extension that I believe it was Nevada, but it could have been other States, I think it was your State, Susan, that just said, layoff notices are going out, we just can't proceed.

So we can't go into this future. This is America. We don't do that when we know that we can work together. So my question to you, and if you give me a yes on it, I will be very grateful. But if you can't, don't do it. Because I am going to call on you. This is an unprecedented job we have. We don't have time. We have to mark up this bill before we leave this summer. We have to get this bill to the Senate floor and pass it.

We have to then persuade our friend, Chairman Mica, who I agree with on a lot of things, his embrace of TIFIA is so welcome, and I know he cares about this, we have to convince him to work with us if we get to a conference. This is a long hurdle. We have to convince the Administration to please weigh in now. Yes, we want infrastructure back, we love it, it is great. That is not the core program. But we should build support for it, but it is not the core program.

So I am going to ask you each, will you be part of a team, a bipartisan team, and work as hard as you can to accomplish this bipartisan bill? I will start with you.

Mr. O'Sullivan. Chairman Boxer, we will be there unequivocally, we will be there with you lockstep with this committee. This issue is too important. We will be there with you every step of the way.

Senator BOXER. Wonderful. Mr. James?

Mr. JAMES. My testimony today was in full support of the bill that is being introduced by this committee. We certainly think it is hugely important that surface Transportation funding remain a bipartisan effort, which it has been throughout its history. And we certainly believe that maintaining the current level of funding for the next 2 years is the best approach to the highway program.

Senator BOXER. And will you help us?

Mr. JAMES. Absolutely. If that was not implicit in what I said, absolutely we will.

Senator BOXER. Excellent, because it is going to take—and look, we understand, if this bill takes a different turn and somebody here says, any of you don't like it any more, I get it. But that is not our intent. It is our intent to keep it as you see it.

Ms. Martinovich?

Ms. MARTINOVICH. Madam Chair, simply, strongly and clearly, yes. AASHTO will be there.

Senator BOXER. AASHTO is crucial. And Hon. Gary Ridley, such a close friend of my colleague, what do you say?

Mr. RIDLEY. Madam Chair, certainly the States and cities, such as Los Angeles, cannot rely totally on the gas tax that they produce in their local areas. They have to require other funding, because they take transportation as a higher priority than what those funds will produce.

The Federal Government needs to do the same thing, we believe. If you are going to take transportation infrastructure at a higher priority and the gas and diesel tax out of the trust fund cannot produce the needed revenues in order to pass the bill, then you need to find other revenue sources in order to be able to ensure that it is funded. We are a yes.

Senator BOXER. You are a yes. OK. And Mr. Lovaas?

Mr. LOVAAS. We are a part of the Blue Green Alliance, along with President O'Sullivan. And we look forward to working with him and with you and putting our shoulders to the wheel and moving this forward.

Senator BOXER. Very pleased to hear that. And finally, Mr. Cohen, who represents everybody, all the users.

Mr. COHEN. Absolutely. We are 100 percent supportive of this bipartisan effort, and we are glad to be part of the team. We will be there.

Senator BOXER. Good, because tomorrow every one of you will be on a conference call with me, and we will be getting some other colleagues to join on that call, so that we can just keep this coalition together.

I just want to say to each and every one of you, this job that I have, that Senator Inhofe has, the rest of us, we would be nowhere without the people. We would be just, as Senator Lautenberg said, talking to each other. And I honestly believe, in this effort, and I cannot thank the staff enough, Republican staff, Democratic staff, this has been a team effort. There were moments when I thought we would never get here. We have gotten to this point.

So we now have to keep up the momentum. And your answers to this question that I had mean a lot to me. I know Senator Inhofe feels the same way, because we can't move it through our respective conferences unless we know we have a lot of you behind us, all of you behind us.

So thank you very much. This is a milestone. I think this is a day that we will remember for a long time. Let's just keep up the spirit. I will talk to you all tomorrow, and we stand adjourned.

[Whereupon, at 12:25 p.m., the committee was adjourned.]