BUILDING ON SUCCESS: REAUTHORIZATION OF TEA-21

(107–61)

HEARING

BEFORE THE

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HIGHWAYS AND TRANSPORTATION

OF THE

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TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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BUILDING ON SUCCESS: ADMINISTRATION PERSPECTIVES ON CURRENT ISSUES AFFECTING REAUTHORIZATION OF TEA 21

Thursday, February 7, 2002

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON HIGHWAYS AND TRANSIT, WASHINGTON, D.C.

The committee met, pursuant to call, at 10:00 a.m., in room 2167, Rayburn House Office Building, Hon. Thomas E. Petri [chairman of the subcommittee] presiding.

Mr. PETRI. The subcommittee will come to order.

We are meeting this morning to hear perspectives from new administrators of the Department of Transportation on reauthorization of the Transportation Equity Act for the 21st Century, known as TEA 21.

We are now in the fifth budget year of the landmark six year Service Transportation Law, which is far enough along to know that, on the whole, it has been a tremendous success.

Last Fall, at our hearing on TEA 21 success stories, we heard from State directors of transportation, CEOs of transit authorities and their consultants. These witnesses representing all geographic regions of the country had a message in common.

Overwhelmingly, TEA 21 has been a success. Each witness spoke of projects funded by TEA 21 that improved mobility, reduced traffic congestion, strengthened our economy and improved our quality of life.

The theme of this hearing is building on that success. This hearing represents a look forward to the next authorization bill, a fitting start to our subcommittee's business for the second session of the 107th Congress.

This will be the first in a series of hearings on reauthorization of TEA 21. We will build on the success of the program by keeping the promises of TEA 21 in place.

These included: keeping the trust in the Highway Trust Fund by not allowing diversions of these funds for non-transportation purposes; extending the budgetary firewalls to make sure that surpluses in the Highway Trust Fund are not used to mask deficit spending; extending the minimum guarantee to continue the promise of funding equity among the states; maximizing program flexibility, so each State can best utilize funds to meet their needs; and continuing incentive-based approaches to encourage the states to reduce highway injuries and deaths; and supporting truck safety through enforcement of standards, through roadside safety inspections, and overseeing the commercial drivers license program.

Building on TEA 21 also requires new ideas, including improving the revenue-aligned budget authority calculation to avoid excessive swings in funding levels, something very much on our mind at this particular moment; providing clearer direction on how to expedite projects; project delivery through streamlining; and creating stable allocated and discretionary programs that will not be earmarked by the appropriations committees. I am very pleased that this issue is being raised in the President's budget.

The growth in highway and transit funds, provided through the guaranteed firewalls of TEA 21, has fostered a meaningful increase in construction, interstate maintenance, transit ridership, and expanded availability of transit services in every city and community around our Nation.

Transportation improvements have been planned and built or expanded during this authorization cycle, and the oversight of how these funds are being spent has been sharpened at every level, from planning to preliminary engineering and design through construction.

I would like to take this opportunity to welcome the new agency heads to this committee room, and probably not for the only time. We are fortunate to have a capable group of leaders to serve our area in the transportation sector. We thank you for your public service, and we welcome you.

At this time, I would like to yield to the Ranking Democrat on the subcommittee, Bob Borski, for any statement that he would like to make.

Mr. BORSKI. Thank you, Mr. Chairman.

Mr. Chairman, let me first commend you for scheduling today's hearing to receive testimony from the modal operators on current issues affecting reauthorization of TEA 21.

Today's hearing also provides the subcommittee with an opportunity to raise concerns about the Administration's proposed fiscal year 2003 budget, and its impact on the transportation sector of the economy.

As the subcommittee moves forward with the reauthorization of the Surface Transportation Programs, we must focus our attention on the accomplishments of the past, and support efforts to make improvements for the future that will enhance our transportation program.

The condition and performance of our transportation infrastructure is crucial to the Nation's economic growth, global competitiveness, and overall quality of life.

Through the enactment of TEA 21, the Congress took a major step towards improving the Nation's transportation infrastructure by providing increased funding and guaranteed funding for transportation programs. The guarantees funding levels were protected by the budgeting firewalls.

Mr. Chairman, I believe this committee must be vigilant and resolute in our efforts to maintain the guaranteed funding levels with the firewall protections.

Over the past three years, the Nation has benefitted from the improvements made to the transportation infrastructure, resulting from the increased funding levels provided in TEA 21.

The TEA 21 firewalls for the transit program have had a very favorable impact on local transit agencies. The agencies have been able to plan and advance projects with a significant level of predictability.

However, with 110 new start projects, costing more than $60 billion under consideration for future funding, the committee needs to address the full funding grant agreement mechanism for the delivery of new start funds.

With safety and security being major priorities for the committee, we need to hear how the administration proposes to enhance safety on our Nation's highways and transit system.

Last year, over 40,000 fatalities occurred on our Nation's highways. Due to ongoing increases in vehicle miles traveled, the number of fatalities may continue to grow. The committee, along with the support of the Administration, must develop programs that will enhance highway safety among all users of the system.

Mr. Chairman, as the Nation struggles to climb out of the recession, the Nation's transportation infrastructure must not fall victim to budget battles and conflicts. We must target our efforts on transportation programs that will stimulate the economy and maintain jobs.

The transportation sector has a long history of providing good paying jobs and critical infrastructure improvements that enhance economic growth throughout the country. For every $1 billion invested in transportation, over 40,000 jobs are created.

The projected negative funding levels will result in an $8.5 billion or 27 percent reduction in Federal aid to highway program funding levels.

Such a drastic reduction may very well extend the term of the current recession. State and local governments will be forced to scale back their highway programs. This would be devastating in my home State of Pennsylvania. We would lose over $346 million and 14,500 jobs.

The Nation is facing a number of challenges at home and abroad, Mr. Chairman. We must do our part to strengthen this great Nation. One of the most effective tools available to this committee is continued investment in the Nation's transportation infrastructure, using dedicated transportation revenues.

So as we proceed with this hearing, I am very interested in hearing how the witnesses will respond to the concerns of our committee.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

A statement by the Chairman of the full committee, Mr. Young, will be made a part of the record.

Mr. Oberstar?

Mr. OBERSTAR. Good morning, Mr. Chairman.

Thank you for inaugurating these hearings, and my appreciation to you and Mr. Borski. This is the best day for transportation since the budget appeared.

[Laughter.]

Mr. OBERSTAR. That is because this is the day we begin to turn things around and get the transportation investment programs back on track.

I see we have an all star line-up. We welcome Ms. Peters, Ms. Dorn, Dr. Runge, and Mr. Clapp. Thank you very much for being with us today. We have got the first string up here today.

So I just want to make a few observations, since I said an awful lot yesterday. First of all, the capital investments we make in transportation have the effect of contributing 25 percent to the Nation's annual productivity growth. One-fourth the yearly productivity improvement of the Nation's economy is directly attributable to transportation. If you cut transportation, you have an adverse serious direct effect upon productivity.

Beginning with ISTEA, and continuing with TEA 21 and expanding upon ISTEA, we have continued to improve productivity, improve mobility, enhance personal safety, and increase the movement of goods, as well as people, throughout the United States.

In the 42 years of the Interstate Highway Program and the initial Highway Trust Fund, we spent $114 billion on that 44,000 mile system of roadways. The states spent another $14 billion.

In the first four years of TEA 21, we invested $114 billion, in four years, because of the guaranteed account, because of the dedicated revenue stream, because the states could count on that money, because the contractor community could count on that money, because the building trades knew they could train people and put them to work, and we created 1.5 million new jobs.

Flexibility, minimum funding guarantees, establishing the 80 percent Federal match for both highways and transit were critical to winning the broad base of support, and to generating those benefits that I mentioned a moment ago.

So the Administration's proposal now to chop the Federal match to 50 percent for new starts breaks faith with TEA 21, breaks faith with the coalition we brought together, and must not be allowed to stand.

The minimum guarantees that we established, that took a lot of work, with staff on both sides of the aisle, members on both sides of the aisle, working together to create the minimum guarantee to bring everybody together under the tent. Now we are saying, sorry, that does not work. We are going to have an $8.5 billion cut.

TEA 21 authorized $15 billion beyond the firewalls, including $3 billion for the current fiscal year, or the upcoming fiscal year, I should say. The Highway Trust Fund has a current account balance of close to $20 billion. Some of that, of course, is committed against projects under way, but there is money.

Now the President says, I am for jobs, and that is the answer. I pat him on the back. But you cannot be for the jobs and not for the money to create the jobs.

We had a vote yesterday to reaffirm the tax cut. Well, let me tell you, if this budget cut stands, then we will have, in fact, ratified a tax increase, because you are continuing to collect money and generate revenues for projects that are not going to be built. That was a principle that infuriated Chairman Shuster over the previous years, and for which we joined forces to create the firewalls.

The taxes collected should be invested in the projects for which they were collected. If you are not going to do that, then cut the tax, roll it back. Otherwise, that is a tax increase. We have said

that over and over and over again, and I will say it once more. So I do not think we can let that stand.

A further concern I have about the President's budget is that all the resources for the transportation security administration that will be transferred from other modal budgets for security functions that are important and necessary to do, we have got to be very careful that we are not taking out of one transportation pocket and putting it into another, robbing Peter to pay Paul.

Finally, we must not lose site of highway safety. When the interstate program was being crafted in 1956, projections then were, if we did not improve the Nation's transportation network, we would be killing 100,000 people a year. That was 1956. The highway death toll continued to increase until we began to put the interstate highway system into place, and draw those deaths down.

But we still, last year, had 41,800-plus people killed, 3.2 million injured, $150 billion spent in insurance and other costs; not even to mention the toll in human suffering. We put a lot of money into highway safety in TEA 21, and we must not let those investments be degraded.

So I look forward to this set of hearings that you inaugurate, Mr. Chairman, Mr. Borski, and I thank you very much.

Mr. PETRI. Thank you.

Mr. Coble?

Mr. COBLE. I have no opening statement, Mr. Chairman.

Mr. PETRI. Mr. Bereuter?

Mr. BEREUTER. Thank you, Mr. Chairman, and I want to welcome the witnesses, as well.

My comments will be very brief, for emphasis. I think at a time when we are trying to pull ourselves out of recession, it is the last time that we should be reducing expenditures for highway construction and maintenance, or for other transportation infrastructure. So I am going to do whatever I can to make sure that we do not have those kind of reductions. It is an inappropriate time to be cutting back.

When Americans pull up to the gasoline pumps, they expect that their Federal and State highway tax dollars are going to be spent for transportation, primarily for highway construction and maintenance; and they expect, as Congress has made itself clear, that those are going to be spend expeditiously.

Administrations of either party, of course, have resisted that, because they want to be able to borrow from the Highway Trust Funds at, of course, a reduced rate from private sector borrowing. I understand that, but that is not the arrangement we have with the American public.

Finally, I want to say that my State and this member has particular concerns about the progress on the highway rail grade crossing safety programs; about not only the progress, but the priorities in funding.

My State probably has one of the most severe rail crossing problems in the world, because of the extraordinary and growing number of unit trains hauling coal across the country and returning to Wyoming and Utah. So we are very concerned about that. We do not think sufficient priority has been given to it.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman.

Mr. Chairman, I do commend you and Ranking Member Borski for holding this hearing today. I look forward to the testimony from the Administration witnesses. I want to commend both of you, as well, for the bipartisan fashion in which you continue to work to try to keep faith, as our Ranking Member, Mr. Oberstar, has said, with TEA 21.

These cuts that are proposed in the Administration's budget are devastating to many states. They affect, of course, all 50 states. The 50 states rely on the monies from TEA 21 for planning for their projects, just as any industry would rely and must rely on a definite flow of money to make investments for their job producing activities.

This does mean jobs. The ripple-down effects are evident to all of us in all aspects of our economy. In my home State of West Virginia, it means not only money, but it means jobs, as well. I hope that we will continue in the bipartisan fashion that has been set out by you and Mr. Borski in restoring these cuts.

Thank you, and I ask unanimous consent to put my remarks in the record.

Mr. PETRI. Thank you, without objection, so ordered.

Mr. Otter?

Mr. OTTER. Thank you very much, Mr. Chairman, and thank you for your leadership in calling this hearing.

I believe that TEA 21 has been one of the great success stories in the history of the American infrastructure spending. TEA 21 restored fundamental fairness to the taxpayers, while creating the highways that our communities depend upon, and providing good jobs for the men and women who build them.

The Administration's proposed cuts in Highway Trust Fund disbursements would pose a great loss to our economy, both in the number of jobs lost and in the number of lives lost on roads and highways that need modernization.

This cut in HTF funds is especially unwelcome because of the diversion of the RABA funds in the last Transportation Appropriation Bill. While Idaho gained more than it lost, and mostly due to the tireless work of Senator Larry Craig of Idaho, our Nation's highway program is much better served by adhering to the TEA 21 formula as it was set forth.

I look forward to working with you, Mr. Chairman, and also Chairman Young, in putting those funds and keeping the RABA funds in tact, and keeping our highway programs moving forward.

I am proud to be an original co-sponsor of the Highway Trust Funds Restoration Act, and look forward to its expeditious passage by the House.

Our Nation's highway building is also being hit by delays in the permitting process by bureaucracy run amuck. TEA 21 mandated that the Administration develop ways to expedite highway projects. Unfortunately, the prior Administration failed to comply with the spirit of the law, bringing much greater expense to the highways that we are now trying to build.

I believe that it is possible to expedite the highway projects and reduce cost, while maintaining the letter and the spirit of the law, including our existing environmental laws. We need a real streamlining bill passed into law, and we need that as soon as possible.

In prior testimony before this committee last year, Mr. Chairman, it was stated that there are some $14 billion today in highway projects that are being held up as a result of delays in the bureaucratic mess.

One of the best programs in TEA 21 is the Intelligence Transportation System Program. I am proud to be a member of the Intelligence Transportation Caucus, chaired by my fellow freshman, Mike Rogers of Michigan.

The ITS program funds research and deployment of intelligent transportation systems to communities to ease congestion and save lives. The University of Idaho and Moscow and one of TEA 21's university transportation centers has demonstrated a special skill with these programs.

Moscow is located along Highway 95, which I might had, has 682 miles of the 26,000 mile Pan American Highway so designated in 1939, which run through Idaho.

The University of Idaho and Moscow has demonstrated its ability to provide for safety and for fundamentally increasing the ability of our highway system to handle its needs. Moscow is located along Highway 95, the only north/south corridor for NAFTA trade.

Highways in America are very important. To be playing games with the appropriation process now and denying what has fundamentally been promised is simply not holding faith with TEA 21.

ITS programs that will save lives and money in Moscow, and will serve as an example to the rest of the country. I am pleased that the project did receive a $1 million earmark in the last Appropriations Bill, and I will support any additional requests.

I have here quite a bit of information, and I would submit it to the Federal Highway Administrator and her staff for their review.

Thank you, Mr. Chairman. I appreciate and look forward to the testimony we are going to receive today.

Mr. PETRI. Thank you. That is a strong statement to follow.

Let us see, Mr. Cummings?

Mr. CUMMINGS. Thank you very much, Mr. Chairman. I want to thank you and the Ranking Member for this hearing this morning.

The other night, Mr. Chairman, when the President gave the State of the Union address, he said the key to stimulating our economy is, and then he paused, and said the word, "jobs."

For our State of Maryland, TEA 21 is extremely important, for it brings jobs, but it does something else. While I think everybody in this room agrees that we have to address the whole issue of terrorism, and certainly the war effort, but we also realize that we have got to keep this country in tact while we are doing it.

The fact is that TEA 21 is a piece of legislation, or a reauthorization thereof, is something that will help our economy stay in tact.

So Mr. Chairman, I welcome this opportunity to hear from our experts. I want to thank them for being here today. There is nobody better than those people who administer the provisions of TEA 21 to give us the testimony and let us know what is working and what is not.

All of us agree that we want out constituents' tax dollars to be spent in an effective an efficient manner, and we will make sure that that happens. At the same time, we want to make sure that those highways are in tact, and that our people are safe.

Thank you very much.

Mr. PETRI. Thank you.

Are there other opening statements? Ms. Tauscher?

Mrs. TAUSCHER. I will just be very brief, Mr. Chairman. I am anxious to hear from the panel. But I do want to continue to register my concern regarding the Administration's highway budget, and what my colleagues have already mentioned about the negative RABA situation facing our states.

Under the current budget, my home State of California would be hit hardest, losing $118 million in highway funding next year, which translates into about 26,000 jobs.

This is unacceptable, especially during a recession, when California families are spending more time sitting in traffic than with each other at the dinner table.

I want to thank the bipartisan leadership of this committee for committing to fix much of this problem through legislation, that I hope will be welcomed with open arms by the President.

I look forward to working with Administrator Peters and the Administration to ensure that highway problems in California and around the country are not interrupted.

Finally, I just want to mention that my colleague, Mike Rogers of Michigan, and I are putting together a Congressional caucus on intelligent transportation systems that I hope will be useful to members as we start the reauthorization process.

ITS technologies are one of TEA 21's success stories, and we hope to work with Administrator Peters and this committee to highlight the many uses of ITS technologies.

Thanks, Mr. Chairman and Ranking Member, for holding the hearing. I yield back.

Mr. PETRI. Thank you.

We will try to accommodate members who have opening statements before we go to vote. If you could make them as brief as possible, then we would immediately come back and hear from the panel.

Mr. Mascara?

Mr. MASCARA. Thank you, Mr. Chairman, and I will be brief.

First, I commend you and the Ranking Member for holding these hearings. We certainly welcome the witnesses and are anxious to hear their testimony, but I would just like to make a couple points.

One, it has been editorialized, and you should know this, that Frank Mascara, who is a former County Commissioner and now a Member of Congress, will build the road to any place. I will tell you why; because studies around the world have shown a strong correlation with investments in infrastructure and highways and transit, and sustained economic growth. It does not take a genius to figure that out.

I would imagine that Mr. Borski, our Ranking Member on this subcommittee, has said this. But since I came in a little late, just to repeat it, to Pennsylvania, what it means, absconding with this

money, you know, there is no sacrosanct place for transportation funding. They have been trying to get at it for years.

But that money was paid by the people of this Nation, and it should be invested in infrastructure. There were 14,500 jobs lost, good jobs, $35,000 a year, for these employees; $5 million lost in payroll in Pennsylvania; $150 million lost in tax revenue; $335 million in payouts of unemployment compensation; and $185 million lost to the Pennsylvania economy.

So leave this money alone. It was paid by the people to build the infrastructure in this country and to create jobs. Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Representative Berkley?

Ms. BERKLEY. Thank you, Mr. Chairman and Ranking Member Borski. I, too, will attempt to be brief, although this is such an important issue.

The population of Nevada grew by 70 percent in the 1990's. In addition to that, we have approximately 36 million visitors to the Las Vegas Valley every year. Nevada is the fastest growing State in the country. Arizona ranks second in population growth, but is far below Nevada, with approximately a 40 percent increase.

As our population increases, our transportation systems become more stressed, and our transportation improvement needs increase. Congestion on our highways is chronic and a growing problem.

Nevada's transportation officials have, throughout the last decade, diligently worked to address increased congestion and air pollution by improving and expanding roadways and mass transit options.

Currently, the Regional Transportation Commission of Southern Nevada and the Nevada Department of Transportation have embarked on many essential projects to alleviate some of the burden on Southern Nevada's transportation systems.

In Clark County, and you are well aware of this, construction continues on a beltway skirting the Las Vegas Valley to ease traffic on I–15, the city's most heavily traveled artery. In addition, I–15 and U.S. 95 are undergoing major and critical improvement projects.

Later this year, Las Vegas area travelers will see smart signs on the Las Vegas roads as part of an overall intelligent transportation system of Clark County.

Over the next decade, Las Vegas area residents and visitors will have an opportunity to utilize a variety of new transportation options. By 2003, a bus rapid transit system with low floored, clean diesel/electric powered vehicles will be up and running in the areas most utilized bus route. A monorail is being constructed, connecting resort properties on the strip to downtown properties, to help reduce pedestrian and vehicular traffic on the Las Vegas Boulevard.

I look forward to working with the members of the panel and my own colleagues on the reauthorization. I would ask that we assess the transportation needs of all of our states and evaluate possible avenues to address needs unique to high growth states like the State of Nevada.

Thank you, Mr. Chairman, and I also am looking forward to hearing your testimony and working on this together.

Mr. PETRI. Thank you.

Mr. Pascrell?

Mr. PASCRELL. Yes, I want to thank the Administration for reinforcing our unity on this community. They could not have done a better job. That is number one.

Number two, we are working out of an economic straightjacket. You know, every election has a consequence and every budget has a consequence.

Number three, we are talking, Mr. Chairman, about intermodal transportation. If you stop one project, you are impacting upon other projects which are critical. That is what TEA 21 and that is what ISTEA were all about. Fourth, billions are going to be lost every year because of congestion and accidents to the Nation's efficiency. Finally, 8,000 jobs in New Jersey, what kind of an economic stimulant is that?

So I lay out the case, Mr. Chairman. We have our work cut out for us. I want to commend you and the Ranking Member for bringing us to this point united.

Mr. PETRI. Thank you.

Are there other opening statements? Mr. McGovern?

Mr. MCGOVERN. Thank you, Mr. Chairman.

You may be thinking that everything has been said, but not everybody has said it. I just want to add my voice to the bipartisan concerns that have been raised here about the Administration's proposed budget cuts.

I am not going to go into a lot of detail about how they will affect Massachusetts. I have talked to you, Administrative Peters, about that. You know our special needs and unique challenges up there. But clearly, the status quo would be devastating to us in a whole bunch of ways.

We need to figure out a way to reverse what is in this budget at this particular point. I look forward to your testimony, and I thank you very much for all being here today.

Mr. PETRI. Thank you.

Representative Johnson?

Ms. EDDIE BERNICE JOHNSON OF TEXAS. Thank you very much. I ask unanimous consent to put my entire statement in the record.

Mr. PETRI. Without objection.

Ms. EDDIE BERNICE JOHNSON OF TEXAS. But I simply want to thank you for calling the hearing, and thank the witnesses for being her, and to say that if this goes through, Texas stands to lose 22,000 jobs, and we have already run out of unemployment compensation money.

It is so critical that we move forward. As a matter of fact, I thought all along that this should be the stimulus package, because it creates so many jobs when you work on transportation issues.

I am hoping that the interpretation of TEA 21 will be seen as the floor, as outlined, rather than the ceiling; and that we can go back and recapture what we began. Because if we go back as far as what the Administration has proposed, we will actually lose investment dollars for projects that perhaps have been started and cannot be finished.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

The subcommittee will recess for the vote on the Floor. I assume there is just one vote. If that is the case, we will back and start up at quarter to the hour.

[Recess.]

Mr. PETRI. The subcommittee will resume.

Today's panel consists of the Honorable Mary E. Peters, the Administrator of the Federal Highway Administration; Honorable Jennifer Dorn, the Administrator of the Federal Transit Administration; Dr. Jeff Runge, Administrator of the National Highway Traffic Safety Administration; and Joe Clapp, the Administrator of the Federal Motor Carrier Safety Administration.

Welcome, and we will begin with Ms. Peters.

STATEMENTS OF HON. MARY E. PETERS, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION; HON. JENNIFER L. DORN, ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION; HON. JEFFREY W. RUNGE, ADMINISTRATOR, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION; AND HON. JOSEPH M. CLAPP, ADMINISTRATOR, FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Ms. PETERS. Mr. Chairman, I also want to take the opportunity to thank you and the Ranking Member for holding these hearings. Clearly, reauthorization is very important to us, and it will be here before you know it. So your hearings are very timely and very important.

Mr. PETRI. I forgot to mention, your full statements will be a part of the record. We encourage you to summarize them in about five minutes, and we thank you. Please proceed.

Ms. PETERS. Thank you, sir.

We all recognize the importance of reauthorization in terms of our Nation's surface transportation program. I am pleased to have the opportunity to testify before you today for the first time as Administrator of the Federal Highway Administration.

It is also an honor to be here today with my colleagues, the Administrators of the National Highway Traffic Safety Administration, the Federal Transit Administration, the Federal Motor Carrier Safety Administration, and we are pleased to have the opportunity to talk with you. With your permission, as you said, we will submit our full comments for the record.

I know that I speak for each of my colleagues this morning in saying that we are grateful for the leadership that this committee has provided in the area of surface transportation. We certainly look forward to working with you over the next year to build on the programmatic successes of ISTEA, and the financial incentives of TEA 21, to meet the transportation challenges now facing our Nation.

I would like to take a few moments to provide an overview of surface transportation improvements accomplished under TEA 21 and, in particular, highlight highway accomplishments. My colleagues will report on achievements within their respective areas of responsibility, as well.

In five principal areas, TEA 21 has strengthened the Nation's transportation system: funding levels and program equity; safety; mobility and system upgrading; new technologies; and quality of life.

TEA 21 dramatically altered the nature of transportation funding, authorizing record amounts of funding, building confidence with the firewalls, ensuring fair distribution with the minimum guarantee, and augmenting resources with innovative loan and grant programs.

Equally important is funding flexibility. Flexible funding has allowed states and communities to tailor their transportation resources to meet their unique needs. From my years of experience as a State highway administrator, I know these mechanisms allowed us to significantly accelerate programs that were tailored to our specific needs.

One funding provision that is foremost in all of our minds this morning is the adjustment for the Highway Trust Fund revenues, or the revenue aligned budget authority.

It is important for me to note that this adjustment is not a policy call on behalf of the Administration. It is a budget calculation that was called for in law. Unfortunately, due to the recent economic slow-down and current projections of future Highway Trust Fund receipts, as we know, that adjustment will be negative in 2003.

As we discuss the reauthorization of TEA 21, we need to look for ways to smooth out the degree of positive and negative swings in funding adjustments that have resulted under the current formula.

Nevertheless, even with the 2003 negative calculation, over the life of TEA 21, the RABA adjustments will have provided a net gain of over $4.6 billion in highway spending. So while we need to look for mechanisms to smooth out the flows, the overall RABA has been a positive mechanism.

TEA 21 gave us the funding and flexibility to significantly improve our surface transportation system, and to address the most important challenge that several of you mentioned this morning, that of safety. We still lose far too many lives; as was indicated, more than 40,000 per year on the Nation's highways, as well as more than three million injuries annually.

Infrastructure safety improvements enabled by TEA 21 have allowed us to make improvements, but clearly, much remains to be done in this area.

The reauthorization process furnishes the opportunity to enhance the security of the system, while addressing core national goals of mobility, congestion relief and, of course, economic growth.

TEA 21 funding also has allowed us to enhance mobility by upgrading the condition of our highways and our transit systems, and by improving connectivity across the modes. We have seen a steady improvement in pavement condition and a reduction in the number of deficient bridges on our system.

Building on the intermodalism of ISTEA and TEA 21, we established and funded new programs, such as the Corridors and Borders Program, and these have improved intermodal connectivity, especially for freight movement.

Under TEA 21, the Department of Transportation has made great strides in research, especially in the areas of Intelligent

Transportation Systems, in pavement improvement, congestion reduction, seismic hardening of highway infrastructure elements, strengthening of bridges, and new tunnel technologies.

Significant progress has been made in ITS deployment. However, to date, only 22 percent of freeways in major metropolitan areas are instrumented for real time monitoring. To better address congestion, security and, of course, emergency response, we need to complete the deployment of ITS infrastructure in both rural and urban areas of our country.

TEA 21 has given states and communities additional tools and opportunities to enhance the environment and the quality of life for their residents as well, including important programs like the Transportation and Community and System Preservation Pilot Program, the CMAQ Program, and the very popular National Scenic Byways Program.

TEA 21 also directed us to streamline the environmental review processes. I believe very strongly that we can improve our processes and make them more efficient and less duplicative, while still being mindful stewards of our environment.

I am happy to report that the median time it takes to do an EIS, or an Environmental Impact Statement, and get to a record of decision has been cut by an entire year. But, while this is progress, again, much, much more needs to be done in the area of environmental streamlining.

The Secretary has defined a set of core principles and goals to frame the Department's approach to TEA 21 reauthorization. Some of these include things that I heard you speak about this morning: building on the intermodal approaches of ISTEA and TEA 21; assuring adequate and predictable funding that will allow State agencies to confidently develop long-range plans; preserve funding flexibility; expand innovative financing programs and look for new ways to augment revenues; make substantial improvements in the safety of the Nation's surface transportation system; enhancing the security of the system and improving incident response; improving freight movement and intermodal connections; and working to simplify and accelerate project approval and implementation. Working together, we can continue to improve surface transportation programs for our Nation.

Mr. Chairman and members, the Department of Transportation looks forward to working with both Houses of Congress, with State and local officials, tribal governments, and many other stakeholders on the reauthorization of surface transportation programs. A viable transportation system supports a strong America.

Mr. Chairman, thank you for the opportunity to testify before you today. I would be pleased to answer any questions that you have, following the statements of my colleagues.

Mr. PETRI. Thank you.

Administrator Dorn?

Ms. DORN. Thank you, Mr. Chairman. It is a pleasure to be with you again today on this very important topic.

In recent years, transit has experienced the highest percentage of ridership growth among all surface transportation modes. In the year 2000, transit ridership reached its high level in 40 years. Traveling to and from work, medical appointments, school, and so-

cial events, people rode our Nation's transit systems 9.4 billion times, 320 million more than the previous year.

Nonetheless, we face new challenges in 2002 and beyond. soon after September 11th, the Federal Transit Administration launched a major security initiative, working with transit agencies across this Nation, to enhance transit security.

In December, FTA began deploying expert security assessment teams to the 30 largest transit agencies in the Nation, using proven threat and vulnerability assessment methodologies. These professional teams are helping transit agencies identify security gaps and make specific recommendations to reduce the risks.

I am particularly pleased to report that transit agencies are voluntarily and enthusiastically partnering with the FTA, and continue to take steps on their own to improve the safety and security of our public transportation systems.

I am equally pleased to note that we are working across the modes at the Department of Transportation, to ensure that our efforts to enhance security are coordinated and complimentary.

FTA has been partnering with the Federal Railroad Administration to ensure that commuter rail systems are covered by our security assessments; with the Federal Motor Carrier Administration on bus safety and security training for drivers; with the Federal Highway Administration on the ITS Deployment Program and regional security workshops.

Mr. Chairman, from major urban centers to small communities, TEA 21 has communicated a revolution of sorts in public transportation, leading to increased mobility, more transportation choices, and more economically vital communities for millions of Americans.

Although Federal funding represented only 17 percent of the Nation's total investment in transit in the year 2000, reliable TEA 21 funding streams for both formula funds and new starts capital investment programs have had a tremendously positive impact on transit development.

They have improved the ability of communities to finance, to plan, and execute public transportation projects, and have generated financial and mobility benefits throughout the Nation.

For example, based on the reliable Federal formula funds provided under TEA 21, Phoenix Transit, a small public transportation agency successfully worked with the city to secure grant anticipation bonds. As a result, Phoenix Transit was able to upgrade its entire fleet to clean natural gas vehicles, and install the necessary fueling infrastructure within a single year, saving three years and an average of $30,000 per bus, a total of $1.65 million.

Similarly, based largely on the Federal commitment, under their new starts full funding grant agreement, New Jersey Transit was able to issue $450 million in grant anticipation bonds, to fund the Hudson Bergen Light Rail Project.

The assurance of this reliable Federal funding source is permitting the project to be completed three years early, and will reduce costs by more than $300 million.

Today, there are 27 active and pending new starts with full funding grant agreements and seven more projects recommended for fiscal year 2003 funding in the President's budget. In addition, there are 50 more transit projects in the new starts pipeline, in prelimi-

nary engineering or final design, and many, many more in early planning stages throughout the Nation.

In communities of all sizes, from over five million in population to less than 500,000, these projects span all types of public transportation service, from ferry boats to commuter rail to light rail to bus rapid transit.

It is, therefore, more important than ever that we provide stable resources, opportunities to partner with the private sector, and innovative financing tools that will permit communities to leverage the Federal investment in public transportation and respond to local needs for public transportation service.

We have learned that real success comes when public transportation is given the opportunity to work with State and with local officials to envision, plan, and develop economically vital communities.

Public transportation is the key to connecting communities, ensuring that every American has access to the employment opportunities, services, and recreational facilities in the community, and helping businesses gain access to and attract customers and employees.

Mr. Chairman, thank you for the opportunity to testify before you today. I look forward to working with you and the subcommittee to keep our communities safe and moving.

Thank you very much.

Mr. PETRI. Thank you

Mr. RUNGE. Thank you, Mr. Chairman. I appreciate the opportunity to give you a brief update on highway safety, since the enactment of TEA 21, and a few of the issues that are facing the program today.

Congress gave us a prime goal to save lives and to prevent injuries on the Nation's highways. NHTSA has pursued this goal for more than 30 years since its inception and has accomplished a great deal.

The rate of fatal injury is at an all time low of 1.5 deaths per 100 million vehicle miles traveled, compared with 5.5 in 1966, when Congress enacted the law. The serious injury rates have also fallen.

In TEA 21, Congress recognized that further reductions would require more resources. Accordingly, the Act gave us a tool kit of programs, some new and some renewed, to help prevent crashes and mitigate their effects. Unfortunately, although the rates have improved, as Mr. Borski pointed out earlier, the numbers of Americans dying on our highways each year is wholly unacceptable.

The solution to the problem lies both in preventing crashes and mitigating injuries when crashes do occur. To prevent crashes from occurring, we focus primarily on human factors and environmental conditions; the most important of which is reducing alcohol-related crashes.

By encouraging sound public policy, enhancing law enforcement, and improving public education, we have brought the rate down. Sadly, however, alcohol is still a factor in 40 percent of fatal crashes, and over 16,600 Americans die each year in alcohol-related crashes.

TEA 21 provided a set of programs to address the impaired driving problem, including incentive grants to States for enacting laws to reduce the level of alcohol with which it is legal to drive. NHTSA continues to work intensely with the states to implement these safety improvements.

To mitigate the effects of crashes when they do occur, the most effective tools we have are seat belts and child restraints. We know from long experience that seat belts reduce the chance of fatal injury by half, and that properly secured child restraints are essential to keep our children safe.

TEA 21 provided a welcome set of incentive programs to increase the use of seat belts and child restraints. As a result of our efforts and those of our partners in the private sector, the national seat belt use rate is now 73 percent, up from 65 percent in 1998. Several states are over 80 percent, and two states are now at or near 90 percent.

But the improvement in child restraint use is a real success. The rate for infants is 95 percent, and for children one to four, it is 91 percent. While this is a tremendous improvement, traffic crashes are still the leading cause of death for children over three years old in our Nation. Over half of children who die in those crashes are totally unrestrained, and that is unacceptable.

In the adult population, people are still being killed by the thousands, due simply to their failure to buckle their seat belts and tens of thousands are seriously injured.

The vast resources spent in this country for safety improvements to vehicles are all for naught, if people do not wear their seat belts, and this is a tragic waste and a tragic economic waste for America.

In the current fiscal year, we are using the flexibility provided by the innovative seat belt incentive program in Section 157 to focus on programs that combine intense seat belt enforcement with high public visibility through the use of strong media campaigns.

Last year, we worked with eight states in the Southeast in this intensive effort, and that achieved a nine percentage point increase in seat belt use across that region. This year, we are expanding the effort to 12 other states across the country. Our data so far shows that this approach offers the best hope of raising seat belt use levels across America.

The programs authorized under TEA 21 have made America safer for its citizens. We will build on TEA 21 as we look towards the reauthorization of our safety programs, and we appreciate your time. Mr. Chairman, this concludes my statement.

Mr. PETRI. Thank you.

Administrator Clapp?

Mr. CLAPP. Thank you, Mr. Chairman. I want to express my appreciation for Mr. Oberstar's characterization of our panel as being all star. I associate myself with that remark.

However, my wife probably would not hire whoever did the seating arrangements for our next dinner party, because we like to do "boy/girl, boy/girl." And while I like Jeff a lot, I would prefer to sit between Mary and Jenny, almost any day.

[Laughter.]

Mr. CLAPP. Mr. Chairman and members of the committee, thank you for the opportunity to speak today on the progress being made

to improve truck and bus safety under TEA 21 and the Motor Carrier Safety Improvement Act of 1999.

In 2000, fatalities and large truck crashes declined by three percent from the previous year, despite an increase in overall highway fatalities. This committee is to be commended for its role in this achievement through its commitment to strong State and Federal motor carrier safety programs.

Since 1998, states have received more than $400 million under the Motor Carrier Safety Assistance Program. With the flexibility provided by TEA 21, states focused their efforts on the particular safety risks they see in their states. This has led to many successful safety initiatives.

Under TEA 21, participation in the innovative PRISM Program has grown from five to twenty states. Since 1998, more than $15 million in grants have been awarded to states to improve commercial drivers license programs, and $15 million more will be distributed this year.

By closing loopholes that can lead to fraud and increasing the exchange of licensing and violation information, we can improve both safety and security.

FMCSA is taking active steps to help motor carriers reduce the vulnerability of commercial motor vehicles to terrorist attack. Across the country, our investigators conducted more than 36,000 visits to hazardous material carriers, alerting them to potential risks, and making recommendations to tighten security.

We are also working with commercial passenger carriers to identify further ways to reduce the vulnerability of inter city motor coaches, a vital part of our national passenger transportation system.

While we are taking action to reduce vulnerabilities, we are maintaining our focus on our commercial vehicle safety mission. This committee can be assured that I will continue strong enforcement of the safety rules, and strive for continuous improvement in our safety programs.

We will soon issue rules for background checks on hazardous materials drivers, commercial driver licensing, new entrants, a unified carrier register, and for Mexican-domiciled motor carriers. Work on the important Hours of Service Rule is also moving ahead.

A wide range of actions are under way to ensure there is no compromise to motor carrier safety, as the Administration maintains its commitment to the North American Free Trade Agreement. In reauthorization of TEA 21, one of the Department's core values will be making further improvements in safety on our highways.

I really look forward to working closely with this subcommittee on an initiatives that will continue our progress in motor carrier safety.

Thank you.

Mr. PETRI. Thank you. Thank you all for your statements.

Mr. Borski?

Mr. BORSKI. Thank you, Mr. Chairman.

Administrator Peters, let me start with you, if I may. We are obviously very concerned about RABA, and I think you are, as well. Obviously, the members on both sides of the aisle here have expressed a strong desire to see that this is corrected.

I see this problem as only getting worse in the future. As we use more ethanol, and that is probably a good idea, and as we look to raise CAFE standards, which I think is a good idea, the trust funds will correspondingly get less revenues.

So that is something I want to get to in a minute or so, and would really like your thoughts on that. Perhaps this is a good wake-up call to all of us who are concerned with this issue, to think this through in the long term.

In the near term, for this budget that was put through, it is my understanding that there was an additional $3 billion in TEA 21 for this year that the President could have recommended that we use, and that the appropriators put that $3 billion to use in the Highway Trust Fund. Why was that not done?

Ms. PETERS. Mr. Chairman, Congressman Borski, in terms of the additional $3 billion, to my knowledge, that is not accurate. I certainly will go back and check, but we looked very hard.

When we received the third quarter numbers and looked at what the negative impact was going to be on RABA, we were very disappointed in that. We looked at a number of methods to try to not have that happen. I am aware of no $3 billion, but we will certainly look into that.

Mr. BORSKI. I would appreciate you looking into that, because I understand that is in the law that we said you could do that; and particularly, when we hit this kind of a situation, that there was $15 billion that was in TEA 21 that could be used for highway spending, in my view.

If you are correct, and you think only the law can be changed to correct this situation, and we are going to work hard to see that that is done, why did the President not recommend changes in the law, when he presented his budget?

Ms. PETERS. Mr. Chairman, Congressman Borski, certainly, I cannot speak for the President of the United States.

However, in our discussions with the Office of Management and Budget, the issue was following the law. They felt that in terms of putting our budget out, it was important to follow the law as it was written, and then engage with Members of Congress, should there be alternative thoughts about doing that. There was, of course, concern about the deficit issue, as well.

Mr. BORSKI. All right, let us get back to my earlier point, then. We do have some long-term problems here with the Trust Fund. It is a program that obviously works very well. I know from your experience, you are a supporter of firewalls and spending in the Highway Trust Fund, Transportation Trust Fund, all on transportation issues.

But we do have a looming problem here. Perhaps some of it is caused by the recession, and some is caused by increased use in ethanol now. If that situation continues to get worse, what alternatives will we have to maintain the spending that we need to repair and maintain the highways of our country?

Ms. PETERS. Mr. Chairman, Congressman Borski, I think you are very insightful in your focusing on this issue. I think also, as you said, perhaps as bad as this news is this year, it can serve as a wake-up call for us.

The predominant factors that affected the negative RABA in this cycle were two. One was the sale of commercial trucks, new trucks, which was down 45-plus percent. That perhaps can be looked at as a point in time issue, rather than a point over time issue, and certainly additional analysis is continuing on that.

But the other factor was, we saw a 28-plus percent increase in the use of ethanol and a corresponding decrease in the use of gasoline. Because ethanol does not contribute to the Highway Trust Fund at the same rate as gasoline, certainly that was a more negative effect.

As you say, I think that is a trend indicator that we need to look hard at in the go-forward position, because states such as California have passed laws regarding MBTE's, and this will continue in other states. In my home state, we had to use oxygenated fuels half the year.

These will continue as we deal with a number of issues throughout the Nation. I think, again, you are very perceptive in suggesting that we look hard at this as we go forward, and perhaps within reauthorization, even to find mechanisms for re-examining the whole highway funding structure, as we approach the next authorization cycle.

Mr. BORSKI. OK, thank you, and we look forward to working with you. Again, I think this committee you will find, and I think you know, is one that works in a bipartisan fashion. We believe that the highway and transit spending is good for the Nation, not just for Democrats and Republicans.

I remember when Administrator Slater was before us, and were initiating this fight on TEA 21. We asked for his help, and I am sure we got it. We will ask for your help, and I am sure we will get it, where you can, to be an advocate for this position, within the Administration.

I know sometimes here, your hands could be tied, and I know this is your first visit here. But we do think highly of your record. We understand you know this program and know it well, and we look forward to your advocacy.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Duncan?

Mr. DUNCAN. Thank you very much, Mr. Chairman, for calling this important hearing.

Administrator Peters, I would like to first ask you, just prior to TEA 21, we had a delegation of governors sit at your same table and testify.

We had also earlier had a panel of highway administrators, who had testified. They said their main problem was all the environmental rules and regulation and red tape, and that these highway projects were costing, on average, about three times as much as they should, and were taking many years longer than they should. I think one person said it was an average of about 10 years for a major highway project, from conception to completion.

I remember we heard the same thing on the Aviation Subcommittee. They told us that the main new runway in Atlanta was 14 years from conception to completion, but it was only 99 days of actual construction.

I am wondering, are you doing anything? That seems to me to be a real area of opportunity for major savings. You know, lives are lost if these projects are delayed for years past when they should have been completed. What are you doing about that; or do you see that as an area in which progress can be made, so that some of these projects can be speeded up, or at least not delayed this long?

Ms. PETERS. Mr. Chairman, Congressman Duncan, my colleagues will think I asked you to ask that question, because it is a very important question.

Mr. DUNCAN. But you did not ask me to ask that question.

Ms. PETERS. I did not.

[Laughter.]

Ms. PETERS. But it is one that I certainly empathize with you on. In fact, I had an opportunity to testify before this subcommittee in September of 2000, before I achieved this job and while I was still a State administrator. You heard from me, at that time, some of the same things that you mentioned.

It is problematic and, as you said, while lives are being lost, the economy is being damaged by not being able to move forward these projects much more quickly.

We are aggressively moving forward with methods to streamline environmental processes. Administrator Dorn and I, because there are so many interrelationships between the processes in the Federal Transit and the Federal Highway Administration, have spent much time talking about this.

We have some efforts that are underway already, in terms of dispute resolution, so that when there is an issue with an environmental resource agency and a transportation agency, we can get in and try to get that resolved very quickly.

We believe that we can delegate more authority to our State partners and our local partners to do some of the lower level environmental processes. We believe that we can concurrently process a lot of documents, as opposed to sequentially processing them.

It is a subject that was so important to me that I, in fact, spoke to Secretary Mineta about it when I was interviewed for this position, and we must do something about it.

Mr. DUNCAN. Good, well, I tell you, people do not think about this, but when you make things, Government projects cost three or four times what they should. Who you are hurting is the poor and the lower income and the working people of this country. That is who gets hurt most of all.

Administrator Dorn, let me ask you this. I am told that in the budget in brief, there is a new program proposed by your agency called the New Freedom Program, and $145 million is being requested to be authorized for that. Can you tell us what that program is?

Ms. DORN. Yes, sir, I am very enthusiastic about this program, because it will address some very problematic issues for those in the disability community, who are seeking access to the work place. There are a number of things, creative kind of opportunities, that some agencies have already taken advantage of, but it is not a systematic approach.

As you may well be aware, we have 54 million people across the country who have mental or physical disabilities. Seventy percent

of those have a concern about the part about getting to a job. So we want to make that easier, so they can become a more productive part of society.

It is a two-part program. One piece of it is a competitive grants program, which would be formula based, and then another piece would be using innovative sorts of practices.

We are very eager to put this into place and to utilize existing creative methods that we have used in other programs that have been very successful, that encourage cooperation and collaboration at the community level. So we look forward to implementing that program, should the Congress approve it.

Mr. DUNCAN. I just was wondering what that was. I have got several more questions, but let me just ask one quick question here. I do not know who wants to answer it.

But just prior to TEA 21, we were told that while the population had increased so much, and I remember in Tennessee where I am from, they said the population had increased since 1990 by 11 percent; but the vehicle miles traveled had gone up by 55 percent. That was pretty typical across the Nation, that the vehicle miles traveled in the decade of the 1990's had gone up at about five times the rate of the population.

Are we still seeing those increases over these last two or three years? Can anybody tell me, is the number of vehicle miles traveled continuing to explode?

Ms. PETERS. Mr. Chairman, Congressman Duncan, yes, we are continuing to see increases in vehicle miles traveled overall. However, last year, we saw a more modest increase. We saw an increase of just less than one percent. There are some other factors that could have affected that in the past year.

In fact, that is one of the issues that we look at in terms of the calculation of RABA. It was a more modest increase, but we are still seeing vehicle miles traveled increase, yes.

Mr. DUNCAN. All right, thank you very much, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Mascara?

Mr. MASCARA. Yes, Mr. Chairman, thank you.

In my former life, I was an accountant. I still have my license, but I do not practice, thank God, given the Enron situation.

I am just curious as to the calculations that were made regarding current and future revenues from gasoline taxes. Who made that estimate or calculation, Treasury?

Ms. PETERS. Mr. Chairman, Congressman Mascara, yes, the Treasury Department makes those calculations.

Mr. MASCARA. And currently, there is some suggestion that would like to see the GAO look over the shoulder of Treasury, to make sure that those estimates are accurate.

I would also like to admit my ignorance on the ethanol. Are you saying there are less taxes? What is it, 18-what per gallon currently in Federal taxes? What is it on ethanol?

Ms. PETERS. Mr. Chairman, Congressman Mascara, let me make sure I get that number right, rather than me flipping through the book.

Sir, I am told it varies by the rate of alcohol that is in the ethanol. But it contributes substantially less to the Highway Trust Fund than does gasoline.

Mr. MASCARA. And currently, it is somewhere about 28 percent, that you testified to, earlier?

Ms. PETERS. Yes, that was the effect. Mr. Chairman, Congressman Mascara, that was the effect on the forecast for the current year.

Mr. MASCARA. So we are not sure about those figures, yet, but you are anticipating that there will be a reduction in the amount of revenues going into the Trust Fund, as a result of September the 11th, less people traveling, it is wintertime, less people traveling.

Will your proposal include an anticipation of any increases and suggested changes in the amount that we are talking about? I mean, originally, we were at $9.2 billion, and then we were at $8.7 billion, and Treasury apparently over-estimated.

Will your department or the Treasury Department be in a position to anticipate changes in the revenues as they come in, and be prepared to report to Congress that we need to take another look in the future at any cuts that might be necessary?

Ms. PETERS. Mr. Chairman, Congressman Mascara, I think it is important for me to clarify that the RABA calculation is both a look back and a look forward. The look back calibrates or estimates revenue to what the actual revenue was. In fact, that constitutes about 60 percent of the negative figure that we are seeing this year. Unfortunately, that was the effect of that look back, 60-plus percent of the negative figure.

It was because, as you indicated earlier, the early estimates of what revenue would be were much more optimistic than the actual revenue that came in, in the year 2001.

So that is an issue that we have to look at. As we look at the other piece of it, which was the go forward piece, and look forward, this is the piece, again, that we have to, as Congressman Borski indicated earlier, look at the effect of ethanol as a percent of the fuel consumption overall, and whether we see that trend line increasing over time.

What we did see in the look back was a 28 percent increase in the use of ethanol, a 28-plus percent increase. Again, what we need to collectively look at is, is that a trend that is going to continue?

Under law, Treasury continues to have the responsibility for doing those revenue forecasts. They are not done by the Department of Transportation. But certainly, we will do everything, and any intelligence that we have that would help them look at those components of the Highway Trust Fund, we will make available to them.

Mr. MASCARA. I apologize for my reluctance to entirely rely upon Treasury. It is my understanding that Ranking Member Oberstar and Ranking Member Borski of this subcommittee has asked the GAO to look over the shoulder of Treasury. Am I correct, Congressman Borski?

Again, given my background in accounting, and to lend a little levity to this hearing, you know, figures do not lie, but liars figure.

[Laughter.]

Mr. MASCARA. The other is, to lend a little levity, that in hiring an accounting firm to audit their books, the first two firms were asked, what two and two was. They said, two and two was four. Then they asked the third accounting firm what he thought it was, and he said, anything you want it to be.

[Laughter.]

Mr. MASCARA. So I am a little bit reluctant sometimes to accept Treasury.

But thank you very much, and I appreciate your appearance here today.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Bereuter?

Mr. BEREUTER. Thank you very much, Mr. Chairman.

Administrator Peters, Administrator Runge, you heard or perhaps you recall hearing my comments about highway rail grade crossing safety programs. I see the paragraph in the joint testimony which addresses that: the amount of dollars spent, the amount of lives saved.

My home State is Nebraska. Let me give you a little brief lesson in settlement and economic geography. The low sulphur coal in Wyoming, that is so much in demand for power plants across the center and eastern parts of the country, is nearly all channeled right through two routes in my state. In my home town, for example, a small community, it will have over 50 coal trains a day. These are the large unit trains.

The settlement patterns is that in the Western Midwest and in the Great Plains, the rail lines let the settlement, and the local people who came in from the eastern part of the United States or as immigrants were told, there will be a community here. There will be one here every six or eight miles.

Literally, they told them, this one will start with "A." You pick the name. This one will start with "B." You pick the name. Most of those communities are small. Some have grown to be sizable communities.

But inevitably, the school or the fire safety or the ambulance will be on one side of the tracks or the other. The amount of time that the crossings are blocked each day is becoming a major problem. I have some horror stories to tell you from my constituents, but there is not time for that.

Eventually, those routes of taking the coal and other kinds of freight will fan out across the aisle of Kansas and other places. But right there, there are two corridors, and they have got all of it coming through there.

Now the Department of Roads, with the allocation of Federal funds and the State highway tax, simply cannot put the overpasses where they need to be placed, under the current financial arrangements for dealing with rail grade crossings and under the priority system.

So I would like to ask each of you to what extent you are aware of this problem? What kind of solutions or what kind of studies are examining additional resources or some changes in the priority system?

Ms. PETERS. Thank you, Mr. Chairman and Congressman Bereuter. I hope I am pronouncing your name correctly.

Mr. BEREUTER. Bereuter.

Ms. PETERS. Bereuter, thank you; I certainly sympathize with your problems. In fact, we lived in mid-north Indiana for a number of years, and when I was expecting my third child, the hospital was on the other side of the railroad tracks from where my home was. That was of some concern to me.

Mr. BEREUTER. I can imagine.

Ms. PETERS. I am going to ask my colleague, Dr. Runge, to give you the first response, and then I will follow-up with some of the infrastructure issues.

Mr. RUNGE. Thank you, Congressman Bereuter. Clearly, this is an issue. It is not technically in NHTSA's jurisdiction, but it is within the jurisdiction of DOT.

Administrator Alan Rutter is well aware of this problem. We have discussed it. I frankly do not have the numbers on the numbers of fatalities. The midwestern states are over-represented in grade crossing crashes, however.

But even in North Carolina, where I came from, it was a real issue, not only with respect to infrastructure, but with respect to driver behavior: getting around crossings, not just the unwitting crossing of an unmarked track. So there are a lot of issues to be considered.

Non-construction projects are eligible for 402 funding, that states have the discretion to spend. One of the beauties of State funding is, they can look at actually what their priorities are, and address their priorities. We would support any suggestion you might have on how we could improve that.

Ms. PETERS. Mr. Chairman, Congressman, if I could follow up a little bit. As Dr. Runge indicated, it is a subject that we have talked about. I also have met with Federal Rail Administrator Alan Rutter to talk about this, as well. We know that we can do a better job of preventing crashes at those at-grade crossings.

Other things that we can do though is look at the sign placement, the stop point placement. I also have had an opportunity recently to talk with a senior official with Norfolk Southern Railroad.

They actually mounted cameras on some of their locomotives, and have some real time film of these incidents that will help us analyze them and determine better ways to improve them.

But as you said, sometimes the issue is simply having enough money to deal with the crossing. Here again, I think funding flexibility is what we need to provide, so that we can use that money where it is appropriate to fix those issues.

Mr. BEREUTER. Thank you very much.

Well, we are closing rail crossings, wherever possible, to try to reduce the number. That is never popular, but it has to happen. But we still need construction dollars far beyond our capacity to fund them. If we met our needs in the state, we would not build a single mile of highway.

So Mr. Chairman and Mr. Borski, I look forward to working with the subcommittee, trying to find a solution to this problem. Thank you very much.

Mr. PETRI. Thank you.

Mr. McGovern?

Mr. MCGOVERN. Thank you, Mr. Chairman.

First, again, I again want to thank Administrator Peters for all the cooperation and help that you have provided me and my colleagues in the Massachusetts Delegation during some of our challenges up there.

I just want to change the subjects a little bit here. As you know, among the many controversial issues that the Department and Congress will confront during the TEA 21 reauthorization process are questions involving the regulation of truck sizes and weights.

In your previous position as Director of Transportation for the State of Arizona, you wrote a letter to members of your Congressional Delegation, urging them to oppose proposals to increase the size and weight of trucks, and I happen to agree with you.

But can you tell me more about your concerns with bigger trucks? Even as the head of a State agency, you thought that truck size and weight regulation was one of areas reserved to Congress. Can you tell me a little bit more about that?

And what is the Bush Administration's position on proposals to increase truck size and weight, and will you and the Department support the continuation of the freeze on triple trailer trucks without changes or thaws of any kind?

Ms. PETERS. Mr. Chairman, Congressman McGovern, thank you for the question. Let me explain first what my reservations were at the time I wrote the letter about that.

My reservations were in two areas. One was safety, the interaction of the commercial vehicle with other vehicular traffic. My second reservation was a reservation concerning the infrastructure itself and the impact on the infrastructure of heavier or longer loads.

I felt at the time, and continue to feel, that we want to carefully evaluate that issue before making changes, to determine if those changes are warranted.

My position in terms of why it was appropriate for Congress to act on that issue, sir, was related to the fact that this is a factor that affects interstate commerce.

While I am very much an advocate of states making decisions, when it is appropriate to do so, when we are dealing with issues of interstate commerce, I felt it was more appropriate for Congress to speak to that issue, than it would be for individual states to speak to that issue.

In addition, I felt that it would be very chaotic for the trucking industry to have to remember which State allowed which. Many of those long haul carriers do not travel intrastate—they travel interstate.

Mr. PETRI. Mr. McGovern, if we could just suspend for one minute. There are several votes on the Floor. We have made arrangements for one of the members to run over and vote and return.

So we will just try to continue, because there will be several people who will want to ask questions. We will hopefully accommodate them and wrap this up by the lunch hour, if at all possible.

If there are other members who would like to ask questions, you could go vote and come right back. We will try to keep the hearing

going, without the 20 or 30 minute break that we would otherwise have.

Although if there are two votes, he is not going to be able to come running right back, is he, until the second vote? Well, we will maybe rest for five minutes, but as soon as Mr. Kerns comes back, the hearing will be continued.

[Recess.]

Mr. PETRI. Please go ahead, Ms. Peters.

Ms. PETERS. Thank you, Mr. Chairman, Congressman McGovern. To your third issue, the Bush Administration has not yet taken a position on this.

I believe as you are aware, the Federal Highway Administration conducted a very extensive study on truck size and weight issues. The Transportation Research Board has been asked to review that and make recommendations as a result of the study. The Federal Highway Administration study, by intent, did not make recommendations. It simply collected a lot of data.

The TRB study was initially due in the Summer of 2000. Obviously, we do not have it, yet. But I am told that we are expecting that very shortly, and we will all collectively have an opportunity to comment on that, once it is made public.

Mr. MCGOVERN. Well, I appreciate that, and you answered my second question about the Administration's reaction to this study that was done, the Comprehensive Truck Size and Weight Study that came out in August of 2001, which I think supported the fact that we should not alter the freeze right now.

I have legislation, that a number of us on this committee are also supportive of. I would appreciate your review of that. Hopefully, we can get the Administration to be supportive of it.

But I think that given the budgetary issues that we have talked about here, and the numerous safety and infrastructure concerns that have been addressed and raised with longer and heavier trucks, that it would be economically wise for us not to change the policy. I hope we can work together on that.

Ms. PETERS. Mr. Chairman, Congressman, we would be happy to provide any technical assistance you desire.

Mr. MCGOVERN. Thank you.

Mr. PETRI. Mr. Kirk?

Mr. KIRK. Thank you, Mr. Chairman.

I just want to reiterate and thank Jenna for all the help with Metra and transit funding. We made a major commitment in Illinois in seeing that through, both not only to my district, but the Speaker's district as well.

I have a concern about having the next Transportation bill enable consensus building, especially on highways. In my state, we do not have an overarching organization that can bring together different agencies and jurisdictions to build consensus.

This is something I have discussed with the Chairman. We have an enormous pot of money available. But sometimes when communities are divided, there is no mechanism to bring them together for common solutions.

I am wondering, Ms. Peters, what you would think about having you being able to convene kind of a Federal entity that would bring together, for example, the communities in Northern Illinois, basi-

cally giving a red light/green light to projects. We could say, ″If you guys do come together, the Federal Government will be able to do certain things for you.″ We could also say, ″If you are not, we will look at other states.″

Ms. PETERS. Mr. Chairman, Congressman, I think you bring up an important issue. In some cases, there are metropolitan planning organizations or councils of government that are very effective. In other areas, they do not have that.

The Department has engaged in what we call a capacity building program, to go in where local governments or others perhaps do not have the capability or the expertise to do long-range planning and look at what their transportation needs are, and how they might match those needs in the best method possible to available Federal funding sources.

Our capacity building program is one that has received a lot of accolades where it has gone in. It is a joint program with FTA. We think that that type of thing is ideal for the situation that you describe.

I would like to defer to my colleague, if she has anything else to add.

Ms. DORN. Only to reaffirm your very important point, Congressman, that in our experience in Federal Transit programs, as well as in the mobility of communities, there is nothing more important than that planning at the front end, and coordinating, truly intermodal studies.

I think that that is the thing that the Administrator and I want to work together on. We will do anything we can, in terms of technical assistance in your State or others, to encourage that kind of cooperation.

Part of it is an issue of political will, and part of it is an issue of incentivizing, as you suggest. I think we are willing and eager to use whatever appropriate means to make that happen, because that is what will leverage the Federal dollar and make sure that we have mobility in all of our communities, because of that kind of planning.

Mr. KIRK. I think we save a lot of money, in the long run. So we want to help you in the capacity building. Jenna, thank you; you are my top priority.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Brown?

Mr. BROWN OF SOUTH CAROLINA. Ms. Peters, we are up from Charleston, South Carolina. We were very interested when we got the news that I–73 was going to be coming from Detroit, I guess, to Charleston, by way of Myrtle Beach. I was just wondering if you could give us an update of where that is taking place?

Ms. PETERS. I am going to consult my notes here. I have a few notes on projects in South Carolina, Mr. Chairman and Congressman Brown. If I do not have that right with me, I apologize. I do not. I would be pleased to get back with you on the specifics of that project.

Mr. BROWN OF SOUTH CAROLINA. OK, thank you very much.

Mr. PETRI. Thank you.

There are two votes on the Floor. Mr. Kerns has promised to come back as quickly as he can after the second vote. So we will suspend for about 10 or 15 minutes. There were several other members who had some questions, and we should be able to accommodate them and wrap things up by about 12:15 or 12:20.

The subcommittee will recess for a vote.

[Recess.]

Mr. PETRI. The committee will resume.

I discussed this with Mr. Borski. Without objection, the record of this hearing will be held open, so members will have an opportunity to submit questions for written response from our panelists within the next week.

Mr. Otter?

Mr. OTTER. Thank you, Mr. Chairman.

Mr. Chairman, I have quite a few questions. I know my time is not going to allow me to ask them all and to pursue them in the way I want. So for the record, I would like to submit those to the agencies and would request an answer.

But I do have a couple that I would like to bring forward now, and I am out of breath; not because of the question, although this could knock the breath out of me, if the answer if wrong.

[Laughter.]

Mr. OTTER. To Administrator Runge, last year, Congress passed the Thread Act, to guard consumers in the wake of a rash of tire-related accidents in the year 2000. This act empowered your agency to issue new rules and regulations concerning tires.

I have been informed that motorcycle apparel is also covered under the Notice of Proposed Rulemaking issued by your agency. Not once, Mr. Runge, during the debate over this bill was motorcycle apparel ever mentioned.

So I would like to ask you whether or not you believe it was the intent of Congress for motorcycle apparel to be included and covered by this act.

Mr. RUNGE. Thank you, Congressman. I have no idea what the intent of Congress was here. But the beauty of a rulemaking is that if a proposed rulemaking goes out, and we get lots of comments about it, we respond to all of those comments. I believe what you are referring to is the Early Warning Rule that we are proposing. Congress was very intent on our getting information from manufacturers, both the vehicle manufacturers and the equipment manufacturers.

In the event that there is a complaint about that equipment or those vehicles, then we will get an early warning of potential problems.

So to the extent that one's motorcycle coat could harm them, I suppose they would need to report that. But I would think it would be very unlikely. I am kind of a common sense guy, and I just do not see where that would apply.

Mr. OTTER. Well, I certainly appreciate that. I am kind of a common sense guy, too, I think. But I also remember, as Lt. Governor of the great State of Idaho for 14 years, as I watched agencies continue to over-reach missions that Congress had set before them, with the limited and precious resources that we have to do the jobs in the core mission that each of these agencies ought to be doing.

Then I would hope that we would govern ourselves and limit ourselves to those core missions, and use those previous resources that we have got to do that, rather than some adventuresome efforts on the part of perhaps some enthusiastic folks within your agencies.

Mr. RUNGE. Thank you.

Mr. OTTER. It is common sense that I did not call them bureaucrats. I want you to recognize that.

[Laughter.]

Mr. OTTER. To Administrator Clapp, our Nation's economy is highly dependent upon motor carriers. Trucks and truck drivers are still, in part, demonized by the media, and feared by large segments of our population.

I think, as you might recall this, during my introductory testimony that I offered on the 682 miles of Highway 95 in our section of the Pan American Highway, and hopefully, NAFTA's north/south trade corridor. I am really disappointed that your agency does not put a little bit more emphasis on enhancing the popular view, and there should be a popular view, that the industry has and should have, rather than just regulating it.

Your agency does not even have a hot link that goes from its web site to at least an educational process for the general public, that they could find out many of the benefits.

In fact, one of my other questions which would deal with you or perhaps any of the other agencies is that, you know, probably nobody spends more time on the highways than the Nation's truckers and their families that travel on the highways. As a result of that, they probably have more eyes and ears at any one moment than all the law enforcement that we have got from the state, the counties, the cities, the Federal Government, everybody.

Yet, we have not developed a system which allowed them a hotline into the tunnels they may be going under, when they see something that is out of the ordinary. This is in this day where we never know when the next terrorist act could come from, or something that is naturally problematic.

I am wondering out loud here in two areas. One, is there not anything that your agency can do to help educate the public as to the benefits and to the great good that the truck industry does? Number two is to provide some sort of a national hotline, that when they see something out of the ordinary on this Nation's highways, that they could become a tremendous resource of intelligence and influence for your agency.

Thank you, Mr. Chairman; and I would like to hear your answer.

Mr. CLAPP. Thank you, Congressman Otter. Those were very perceptive remarks, and you have given me something to chew on a little bit.

I will say that I just came from the Midwest Safety Conference, which is pulling together people from our agency, other modal agencies, as well as their counterparts in the states, on a voluntary basis. They are sitting together almost all of this week, to brainstorm ways in which we can work together, between modal agencies and between Federal and state, to improve safety on our Nation's highways.

I had the privilege of addressing that conference. What I thought was the key element of what I had to say was that, of course, I do

have an appreciation of the significance of the motor carrier industry to our entire economy. Also that we have a cadre of what I like to call the competent majority, a very large number of competent people, whose profession is operating those vehicles up and down the Pan American Highway and east/west across this country. They are doing an excellent job of it. Indeed, every day, by their sheer professionalism, they save people's lives by not allowing another person's mistake to result in that person's severe consequences, and possibly even death.

I must admit, there is also what I refer to as a memorable minority, which I believe to be a small minority, of drivers who choose, for whatever reason, not to behave in a responsible fashion.

When it comes to enforcement, an area that Jeff and I both share an interest in, as well as Mary, we need to deal with those particular individuals who, for whatever reason, have made the choice not to act in a responsible way.

But it is certainly true that the guys you do not notice and the gals you do not notice, who are doing their jobs well, day in and day out, are a big resource.

There are programs in a number of states, between industry and the Highway Patrol, for example, in which the drivers do know that they can reach the Highway Patrol on CB, and report not only unsafe behavior, such as a DUI, but also suspicious behavior. Since September 11th, these folks have really been sensitized to notice things that do not look right around them, and to contact a hold of law enforcement authorities.

Of course, our agency is cooperating with the FBI in communicating the results of the 36,000 carrier visits that we have made, especially if we happen to run across something that does not look right. We and the carriers are making that known to the FBI. But we can do more, and I appreciate your idea on that subject.

Mr. OTTER. Thank you, sir.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Kerns?

Mr. KERNS. Thank you, Mr. Chairman.

I want to commend the Chairman for the timeliness of this hearing. I have just recently met with members of the State of Indiana, Department of Transportation. Certainly, Indiana is facing a potentially serious shortfall in funding. We met also with the industry folks.

It is very difficult in an environment where revenues are coming in, perhaps at this level, and they may be coming in the next year at this level; and then not knowing what they will be in the future.

I know other industries, the steel industry and others, have difficulty when foreign competition flood our markets with products and decimate their ability to compete. Similarly, they were facing that in the highway industry, with revenues, if there are shortfalls and not knowing what their future may hold, then employment drops in a time when we need to be increasing employment to try to stimulate the economy.

Certainly, with the safety in the infrastructure of the states, you know, I sympathize and empathize with those states that are trying to plan for a future in the budgets, and they have projects in

place. It is important to the community and to the safety to the communities; and not being able to know those revenues, if they are going to be there.

I think there is a piece of legislation that we are going to be behind in introducing, that is going to work to, in fact, shore up some of the funding, the shortfalls that may be occurring. I think that would be important.

I did note your comment that sometimes agencies do not know the intent of Congress. Well, this being my first time as a student of government, I have often thought that was the case, with the legislation and the way things are implemented, but I know you are dealing with lots of things.

I do want to thank you for being here today, as panelists. I know you have a big job ahead of you. Anybody can take this question. We want to work with you to get as much of the funds that are available from the Trust Fund into the hands of the states, into the hands of those that are building our Nation's roads and highways and bridges.

It is a vital interest to the national security of this country. It a vital interest to the safety of the people of the states, and after all, the American people. They pay taxes, gas taxes and other taxes, for that purpose, so those roads, in fact, can be built, and bridges and infrastructure. This is for whomever would like to like to answer that question, and then I have another question after that.

Ms. PETERS. Mr. Chairman, Congressman Kerns, just so I can specifically understand, your question is, are there methods by which we could get that money into the hands of those who use the money to build and operate the infrastructure more quickly?

Mr. KERNS. Well, we want to work with you, the Congress, we and the Administration, on ways that we can, in fact, get as much money into the hands of the states; that money that is coming into the Trust Fund, making sure we do all we can to conserve and run a streamline operation, so that the money goes to building roads, highways, and bridges, and those things, and is distributed as quickly as we can.

Ms. PETERS. Right.

Mr. KERNS. I guess cooperation is one thing that we are asking for; but also, if you have other ideas and ways in which we could be helpful, in fact, to shore up some of the shortfalls on money that is going to the states.

Ms. PETERS. Mr. Chairman, Congressman Kerns, I will start, and I will certainly ask my colleagues to jump in here, as well.

But I think some of the key tenets of TEA 21 that were discussed earlier are the best opportunities for State governments, such as Indiana, to have programs that can be responsive to their needs.

The firewalls, the Trust Fund, the minimum guarantees, all of those were very important parts of a piece of legislation that allowed a number of states to have more stable programs than they had ever had in the past.

Funding flexibility also is very important, because each State does not have needs that duplicate other areas. They are very unique needs.

I spent a number of years in Indiana. I know the issues. In fact, that is where I lived when the hospital was on one side of the railroad track, and my home was on the other.

Mr. KERNS. That is what I understood, yes.

Ms. PETERS. So those are issues that by giving flexibility to the states so that they can use the money in the manner that best meets their needs, I think that is another very important tenet.

As I responded to Congressman Borski earlier, I also think that we do need to look comprehensively at the compilation of the Trust Fund. We need to diversify our portfolio a little bit and look at the long-term stability of those funding mechanism into the future. Because clearly, there are indicators already in this forecast that we cannot continue to depend on the same mechanisms that have served us well perhaps in the past.

Again, I would defer to my colleagues for other answers.

Mr. KERNS. Yes, sure.

Ms. DORN. In addition to what the Administrator mentioned about that very important source of revenue, Congressman Kerns, I would add two things that I think are very important, in order to ensure that we get the most money out to the states, so that they can be utilized for effective projects.

There would be two things I would add. One would be that we need to ensure that we have effective oversight to ensure that projects go well and the planning goes well. We need to make sure, however, that that is value-added oversight.

We can have oversight upon oversight, rule upon rule upon rule, and that dilutes the effectiveness of the Federal dollar, and getting it out there, so that it can be of value to communities.

So we, in the Administration, need to work with you under reauthorization, to determine how can we simplify, if possible, and make more effective our oversight. That is one piece.

The other piece is, I think that what Congressman Kirk mentioned earlier, about the community-wide planning studies on an intermodal basis from the get-go, to ensure that the local community consensus is there before projects are begun. That saves time, saves money, and ensures mobility.

So I think that is a piece that we may want to think about reinforcing in reauthorization, and I look forward to working with you on that particular piece.

Mr. KERNS. Well, thank you, and another question, I raised or someone raised, concerns that perhaps new emphasis on security of airports and infrastructure needed there would, in fact, potentially hurt funding for highways, roads, and bridges.

Have there been discussions or any concerns on your part? I did not suspect that there would be. But I think that we need to go in multiple directions, and the security of airports is paramount, in looking at ways to build safer and more secure airports. But at the same time, we would not want to impact the important work of the folks going on the highways and to those airports.

Ms. PETERS. That is correct. Mr. Chairman and Congressman Kerns, I think you make some very good points there. I can assure you, and it is very important to the Secretary, as well, that highway funds not be diverted to other uses.

Airport security is important. The Department is working very hard with the Transportation Security Administration, which will encompass all modes eventually. Certainly, initially, their emphasis is on aviation. But eventually, we all will work with Transportation Security, in terms of our various modal functions. But there is no intent, by this Secretary or this Administration, to divert highways funds away from that.

Initially, we do have what is called the National Infrastructure Security Committee, that is chaired by our Chief of Staff. We are working across modes on security issues, because we recognize that while the terrorist attacks that were inflicted on this country in September were through the aviation mode, we know that there are vulnerabilities in other modes.

We are working very hard with State and local partners to ensure that we are identifying high vulnerability, high risk assets, and protecting those, to the greatest extent possible. There is a lot of cross-modal communication here, as we do that. All of us are members of that committee.

Mr. KERNS. Thank you.

Mr. RUNGE. If I may, Congressman, I would also like to remind you that these funds are also very important for not only the security of transportation, but also the safety of those that want to get home at night safely, and have dinner with their families.

My job is to make sure that that happens. I want to make sure that the committee understands the huge economic toll, the burden of injury and fatality, that is placed on this country by 41,800 people dying on its highways every year.

So I would ask you please to talk about safety, as you talk about security and as you talk about road building and bridge building, and to please be reminded that this is not just a human toll, but it is very much an economic toll in our country.

Mr. KERNS. I want to thank you all for being here. I know you have a very tough job, and I think you are doing a very good job.

I know in recent conversations that I have had with new Commissioner Mendott in Indiana, that we are currently in Indiana at about a four percent congestion rate. Within a few years, we will be at 25 percent congestion rate. So infrastructure is vitally important.

With that, Mr. Chairman, I yield back. Thank you.

Mr. PETRI. Thank you.

I will submit questions for the record. But I do want to ask a few, if I could, as well.

First of all, Administrator Peters, I think you are aware of the concern about the shortfall in this year's budget. Our committee, with strong bipartisan co-sponsorship with the Senate Environmental Committee, will be introducing identical bills to restore the $4.4 billion in highway funding to reach the unadjusted levels written into TEA 21 as a minimum.

Can we count on you to take the time to review this bill, and to consider offering your support, or at least taking it up in the Administration, and trying to get a more consistent approach here?

Ms. PETERS. Mr. Chairman, we certainly are sympathetic to the issues raised by members of this committee, as it relates to transportation funding. We would be glad to work with you in reviewing

bills, and the impact of the bills, and what they might be able to do, yes.

Mr. PETRI. The bill number is H.R. 3694, which has the unanimous support of all of the Republicans and Democrats on the committee, and the original co-sponsorship of all but one. So we think that is a sign that there is strong concern here in the House, which we feel is matched in the Senate, with addressing this problem in as expeditious a way as possible.

As you know, states are analyzing their budgets. As a State administrator, you understand the pressures that they are also under. They have balanced budget requirements. Many of these are matching fund programs.

If we start looking like the money is not going to be there at the Federal level, there will be big pressure to eliminate money at the State level, or to defer that as well. We are talking about how many hundreds of thousands of jobs, with the loss of just the Federal funds.

But you can multiply that with the loss that will occur because of deferred State and local matching for some of these projects.

So I think we are engaging in dangerous budget gamesmanship here, which we need to get off the table as quickly as possible, so that we have some confidence and a framework that people can move forward, as they plan and invest in the transportation sector of economy. We are hoping to work with you on that.

I have a couple other quick questions. There was, in TEA 21, language calling for a study on the adequacy of rest stops. That is six months overdue. Do you have any idea when that study will be coming out?

Ms. PETERS. Mr. Chairman, I am aware of the study. Let me consult with staff, and see if we know a specific date. If not, I will certainly get back to you.

Mr. PETRI. Thank you. Then Administrator Dorn, in analyzing the budget proposals, we notice that there is a proposal to limit the Federal share of new rail start projects to 50 percent for all projects that do not have their grant agreements in by October 1st.

Is this a sign of new policy going forward? If it is, will this cause some tension, because we have a higher match for highway projects, and that may put transit projects at a disadvantage, as people are allocating their matching dollars at the State and local level? Could you address that?

Ms. DORN. Certainly, Mr. Chairman, you are correct. It is the Administration's intent in the fiscal year 2003 budget that that be a part of long-standing policy, or new policy, of the 50/50 match.

It should be pointed out, as I know you are aware as an expert in this arena, that the average is now, for full funding grant agreements, about 53 or 54 percent. So most of the projects are already achieving that match.

I believe that this approach, this 50/50 change, really allows us to leverage the new starts funds for a growing number of projects that are in the pipeline, and that this is an appropriate sort of action; that it does incentivize the localities, and it ensures that we will have the opportunity to fund, from the Federal level, a larger number of projects.

At the same time, as the Secretary has said, it is important to ensure that the community is guided in its selection of projects by the merits, rather than the matching ratio or the Federal match. So I know that this Administration would work with you to craft legislation which attempts to meet both of those goals.

Mr. PETRI. Thank you. Well, it is a concern, and we will be hearing from a lot of people who are concerned in this area. So we want to work to come up with as good a framework as possible, that is fair to the different modals, and does not buy us investment unnecessarily.

As you may have noticed, the 2002 transportation appropriation bill, by our colleagues on that committee which passed the Congress, included 76 new start earmarks, of which 36 were not yet in final design or construction stage.

These less mature projects represent some 16 percent of the new starts program funding; although in TEA 21, we had a limit of eight percent for new start funding. As a result, 14 full funding grant agreements were under-funded, since they shifted money around. I mean, it does not come from the tooth fairy. It was coming from other projects that were more thoroughly vetted.

How does this earmarking affect the integrity of the full funding grant agreement financing mechanism, and how might it affect reauthorization, as we go forward?

Ms. DORN. Yes, Mr. Chairman, that is a very good question. I think that this committee should be proud, as I know that it is, of the comprehensive rating criteria that they instituted in the TEA 21 legislation for projects larger than $25 million.

That merit-based evaluation, I believe, is beginning and has, for some period of time, allowed that merit-based consideration to happen more often than it would have, had those criteria not been in place.

I think in the context of reauthorization, the committee may well want to consider the development of priority criteria in other areas; say, for example, in the bus capital program and the research program. That would then give the Executive Branch an opportunity to evaluate the merits of particular programs, and that could then be a strong guide, if you will, for Congress, in how it chooses to deal with the funding issue for particular projects.

So we look forward to helping to develop a rating criteria, or a set of guidelines, or a system that might help serve as a guide, because earmarks can tend to be problematic in that regard.

Mr. PETRI. Thank you.

Are there additional questions?

Mr. Borski?

Mr. BORSKI. Mr. Chairman, if I may ever so briefly follow up on your question to Administrator Dorn, and I share your concerns about changing of the transit formula or spending ratios.

I would strongly urge you, if the Administration is considering a change, that they do it here, through this committee, and not the Appropriations Committee. It is our responsibility in the next Transportation Bill, TEA 21 or NEXTEA or TO–3 or whatever we are calling it, to make those decisions. I would strongly suggest that that would be a mistake.

Ms. DORN. I certainly concur with you, and thank you, Congressman.

I would make the point that the announcement by the Administration, which was made last year and this year, is only a heads-up. It was with our full recognition that this requires a change in law that would come to this committee.

We felt it would be fair to those who are considering, on a local basis, projects that they know in advance of the Administration's intent. We certainly respect the right of this committee to make the final decision. Thank you.

Mr. PETRI. Mr. Otter?

Mr. OTTER. Thank you, Mr. Chairman, and my apologies for asking for one more question. But I want some clarification from Administrator Peters, if I might.

There are some corners that are calling for expanding the eligibility of the Highway Trust Fund. We have discussed, in the substance of the entire panel this morning, the limited resources that we have.

I would hope that you and the rest of your colleagues would resist any expansion of eligibility until we take care of the core needs that we already admit have limited resources. I would just like to get at least some sort of an idea of how you feel about expanding the eligibility.

Ms. PETERS. Mr. Chairman and Congressman Otter, it is an issue that we have had some discussion about. While there certainly are merits in application to other modes, the Secretary has indicated just what you said; that the needs are so great within this mode right now, within the modes that we now support with the Highway Trust Fund, that we should confine our application of those funds to those modes, and perhaps look for other funding sources for other transportation needs.

Mr. OTTER. Is that a quote from the Secretary?

Ms. PETERS. That is not a quote from the Secretary. I am not authorized to speak for the Secretary, but that is the gist of the discussion that we have had.

Mr. OTTER. Thank you very much.

Mr. PETRI. Thank you.

With that, this hearing is adjourned.

[Whereupon, at 12:38 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

Statement of Congressman Mike Ferguson
Subcommittee on Ground Transportation
Building on Success – Administration Perspectives
on Current Issues Affecting Reauthorization of TEA-21
Thursday, February 7, 2002

I would like to thank Chairman Petri, and Ranking Member Borski for the holding this timely hearing on the reauthorization process. I would also like to congratulate and welcome the new group of Administrators testifying before our committee today.

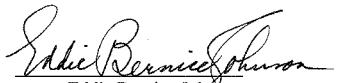
Our country as a whole, and the future of our transportation network, is at a critical juncture in the history of our country. We must support the President and give him the tools he needs to fight our war against terror. We must provide for homeland security. We must also follow the outline the President has laid out in his State of the Union Address and provide jobs for our workers. We must do all of this while facing many budgetary obstacles at home.

The reauthorization of TEA-21 will be the most significant transportation legislation to come before the Congress in the next six years. As a result, it is our job as authorizers, to ensure we provide our transportation network with the funds it desperately needs. Currently, transportation is facing a budget crisis. We stand to lose $8.5 billion in federal transportation funding in FY 03. My state of New Jersey alone, stands to lose $196 million from last year's funding level due to that lack of gas tax receipts collected by the highway trust fund. The state of New Jersey is also facing a $2.2 billion dollar budget shortfall. Without the much-needed federal transportation funds TEA-21 provides, states like New Jersey will be mired in gridlock.

New Jersey is the most densely populated state in the country. As a result, the ability to move people and goods is imperative to our economy, as well as our quality of life. With these unique challenges in mind, I would like to express my strong support to continue funding transit projects at the same rate as they were under TEA-21. These types of smart growth projects have been under-funded for years and are vital to our urban centers where our transportation network is operating at capacity.

We have many victories to celebrate from TEA-21 but we also problems we must fix. We must ensure that our states do not have to cope with the tremendous funding fluctuations, similar to this year, due to the wild swings in RABA funds available. The reauthorization process must ensure, that states like New Jersey are provided with all of the tools needed to continue providing well-paying jobs and the infrastructure our state desperately needs. Our quality of life, economy, and ability to grow and prosper all depend on a successful reauthorization.

I look would like to thank the witnesses for their testimony here today and I look forward to working with you and the fellow members of the committee on this urgent matter.



Eddie Bernice Johnson
February 7, 2002

Mr. Chairman, when this hearing was originally scheduled, we did yet know that the Administration was about to propose huge cuts in the federal aid highway program. We are fortunate to have this opportunity to have federal officials from the Department of Transportation to answer our questions relating to those proposed cuts, to discuss its serious implications for TEA-21 reauthorization, and to somehow find a way to restore the funding.

I am extremely puzzled at why the Administration would be proposing such a huge cut at this time. In Congress, we have debated for months a so-called stimulus package to speed economic recovery. Now that the bill has been pulled from the Senate, it appears that the stimulus bill will not pass. I agree with Senator Daschle's decision, but others disagree. Nevertheless, I am not here to assign blame for its failure. Instead, let us focus on the further damage that cuts in the federal highway program will have on the national economy. The American Road and Transportation Builders Association estimates that the proposed cuts will result in the loss of 360,000 jobs nationwide, and in my state of Texas alone, the proposed cuts will lead to the loss of over 22,000 jobs. It seems unthinkable to me that we would now be contemplating such an economic depressant package.

We also know the long-term consequences of underinvesting in our nation's infrastructure. The Texas Transportation Institute estimates that traffic congestion cost the U.S. economy about $78 billion in 1999. Congestion has gotten worse since then and certainly will not get better if we accept the Administration's recommendations. As others have ably pointed out, cutting the federal aid highway program in FYZ003 may lead to less funding in the future because the FY2003 figures that were used during consideration of TEA-21 reauthorization. Less funding this fiscal year will project negatively for years to come.

Astonishingly, some in the Administration are implying falsely that the proposed cuts are mandated by TEA-21. That is utterly false. What the Administration has proposed is the floor outlined in TEA-21 not the ceiling. The Administration has the authority to propose as much as an additional $14 billion if it desired to. I do not want to go that far, but I do believe that negating the "negative RABA" for this fiscal year is the least we should do. Later today, the Committee leadership will be introducing a bill to restore approximately $4 billion to the federal aid highway program for FY2003. I will be an original cosponsor and hope to hear favorable comments on this legislation from DOT officials.

Mr. Chairman, I yeild back.

Submit for Record.

STATEMENT OF CONGRESSMAN BUTCH OTTER

· Mr. Chairman, I am pleased that we are having this hearing on the best ways to speed major project delivery.

· Idaho does not have any $1 billion projects, but US-95 in my district requires more than $6 billion to modernize it to freeway standards. Any cost-savings FHWA can develop will help lower that bill and make this dream a reality. In the meantime the hardworking men and women of the Idaho Transportation Department, along with the Idaho Congressional delegation, will work to ensure that the state can get all available resources for its modernization program and can spend it with as little federal red-tape as possible.

· Today's hearing will discuss speeding major products, but one step will help more than any other- passing a highway streamlining bill that forces federal agencies to issue their permit decisions quickly. Expediting highway construction is essential to get our economy moving, and get highway trust fund money back to the states. Delaying highway projects not only hurts our economy and out motorists, but the growing balances in the Highway Trust Fund encourage those who would like to use that money to cover deficits elsewhere in the budget.

· The highway funding contained in TEA-21, which this committee voted to restore this afternoon, is meaningless until it is converted into completed projects on the ground. The faster we can build projects, the faster they can begin saving lives and contributing to economic development.

STATEMENT OF

MARY E. PETERS, ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION

JENNIFER L. DORN, ADMINISTRATOR
FEDERAL TRANSIT ADMINISTRATION

JOSEPH M. CLAPP, ADMINISTRATOR
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

JEFFREY W. RUNGE, M.D., ADMINISTRATOR
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

U.S. DEPARTMENT OF TRANSPORTATION

Before the
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES
February 7, 2002

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to participate in this first hearing before your committee on the reauthorization of the Nation's surface transportation legislation.

Through the leadership of the Committee on Transportation and Infrastructure, and with the active participation of our State, local and private sector partners, the Department of Transportation has worked to realize the purposes and objectives of the Transportation Equity Act for the 21st Century (TEA-21).

We are looking forward to working with the members of this subcommittee, the full committee and Congress in shaping proposals for the reauthorization of this legislation. Working together, we need to establish the base of resources available for this important legislation in order to meet the transportation challenges facing the Nation.

The enactment of the predecessor of TEA-21, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), revolutionized the Nation's approach to surface transportation. With that legislation, new principles in the implementation of the Nation's surface transportation programs were established: building partnerships with local and State officials to advance the strategic goals for transportation capital investment; flexibility in the use of funds; a commitment to strengthening the intermodal connections of the Nation's transportation system; expanded investment in, and deployment of, new information technologies for transportation services; and a

heightened sensitivity to the impacts that transportation has on our quality of life and on the shape and character of America's communities.

TEA-21 built upon the programmatic initiatives contained in the earlier legislation and, through its financial provisions, provided State and local governments and other transportation providers with greater reliability in planning transportation investments. It achieved this by reforming the treatment of the Highway Trust Fund to ensure that, for the first time, spending from the Highway Trust Fund for infrastructure improvements would be linked to highway revenues. The financial mechanisms of TEA-21-- firewalls and the minimum guarantee -- provided greater equity among States in Federal funding and record levels of transportation investment.

The programmatic and financial initiatives of these two historic surface transportation acts have provided us with a solid and balanced structure around which we can shape this reauthorization legislation. While the legislation should continue to build upon ISTEA and TEA-21, Secretary Mineta has noted that the Department of Transportation has an opportunity and an obligation to do more.

This is a time of extraordinary challenge and opportunity in the transportation sector. The world of surface transportation is changing. The Administration has launched an ambitious new research initiative to develop fuel cell technology that will improve environmental quality and reduce our need for petroleum-based fuels. As we look forward, we will need to consider other sources of revenue for the Nation's transportation programs in anticipation of these technological advances. Furthermore, the events of September 11th have demonstrated how critical the Nation's transportation system is to the security of every American and to the Nation's economic well-being.

Secretary Mineta has articulated a set of core principles and values that will frame the Department's approach to TEA-21's reauthorization. These principles seek to enhance the safety and security of all Americans, even as we increase their mobility, reduce congestion, and grow the economy. These are not incompatible goals; the lessons of TEA-21 demonstrate that these are appropriate, indeed necessary, goals of national transportation policy and that they reinforce each other. It is possible to have a transportation system that is safe and secure, efficient and productive.

TEA-21's Record

In five principal areas, TEA-21 has strengthened the Nation's transportation system: funding levels and program equity; safety; mobility and system upgrading; new technologies; and quality of life.

Funding Levels and Program Equity

TEA-21 dramatically altered the nature of transportation funding and authorized record amounts of funding for transportation, a 40 percent increase over the period of ISTEA. The minimum guarantee and the Highway Trust Fund firewalls created confidence among grantees regarding program funding. These mechanisms have enhanced the ability of State and local officials to plan, finance and implement their programs. States and local communities have increased their funding levels to match the commitments made in TEA-21. Importantly, TEA-21's minimum guarantee provided unprecedented equity among the States, ensuring that highway funds were distributed in the fairest manner to date.

Equally important was the funding flexibility, first allowed in ISTEA and continued in TEA-21. Flexible funding has allowed States and communities to tailor their transportation choices to meet their unique needs and has enabled State and local decision-makers to consider all transportation options and their impacts on traffic congestion, air pollution, land use patterns, economic development, and quality of life.

TEA-21's innovative loan and grant programs further augmented the highway and transit programs. The Transportation Infrastructure Finance and Innovation Act (TIFIA) has provided almost $3.6 billion in federal credit assistance to eleven projects of national significance representing $15 billion in infrastructure investment. These loans, loan guarantees, and lines of credit for highway, transit and rail projects encouraged private investment in strengthening the transportation infrastructure.

The key to ensuring that highway-related receipts are spent is that the highway funding level is adjusted each year to reflect the latest information on Highway Trust Fund (HTF) receipts. At the time of the enactment of TEA-21, highway program funding levels were set based on estimates of HTF receipts. Each year, the level is adjusted using a formula specified in TEA-21. This adjustment ensures that highway spending remains aligned with HTF receipts.

These adjustments have provided significant additional highway spending over the past three years. Thus far, States have received $9 billion more than they would have received under guaranteed levels. That's $9 billion that is already working in the economy. Unfortunately, due to the recent economic slowdown and current projections of future highway trust fund receipts, the adjustment for FY 2003 will be a negative $4.369 billion. However, even with this negative calculation, over the life of TEA-21, these adjustments will provide a net gain of $4.6 billion in highway spending.

The calculation of the adjustment is not a policy call – it is a budget calculation based in law. As we discuss the reauthorization of TEA-21, we need to look for ways to smooth out current positive and negative swings that result from the adjustments in order to make it more predictable. However, linking highway spending to receipts is a fundamental principle of TEA-21 and should not be abandoned on the eve of reauthorization.

Safety

The safety and security of the public is the Department of Transportation's most important priority, and America has an enviable transportation safety record. The Department's goal is to ensure that the Nation's transportation systems are as safe and secure as possible, while preserving freedom of mobility and promoting economic vitality. The events of September 11th have underscored the importance of the Department's commitment to this goal.

Highway Safety

The challenge of safety in the transportation system remains significant. While the number of highway fatalities in recent years has been held relatively flat, despite significantly rising numbers of vehicles on our roads, more than a quarter of a million people have been killed on America's roadways in the past six years, 41,000 deaths each year. There are also more than 3 million police-reported injuries annually. We can, we must, and we will strive to do better.

TEA-21 introduced new programs, greater flexibility and increased funding to meet this challenge. Increased TEA-21 funding enabled States to make needed safety improvements to the infrastructure, and States may – and do – use their Surface Transportation Program (STP), Interstate Maintenance, and National Highway System (NHS) funds for safety infrastructure improvements. Safety is built into every interchange upgrade, intersection redesign, signing project and pavement improvement.

Within the STP, 10 percent of funds are reserved under TEA-21 for highway-rail crossing improvements and hazard elimination. The Hazard Elimination program supports efforts to resolve safety problems at hazardous highway locations. Since the enactment of TEA-21, States have obligated $489.3 million in Hazard Elimination funds. Another $707.4 million in optional safety funds have been obligated primarily for Hazard Elimination. The program is estimated to have saved 7,200 lives since 1998. The Highway-Rail Grade Crossing Safety program is designed to reduce crashes at public grade crossings, and $499 million in Highway-Rail Grade Crossing funds have been obligated. The grade crossing safety program is estimated to have saved 2,000 lives since 1998.

The Federal Highway Administration (FHWA) also devotes Surface Transportation Research and Technology Deployment funds to safety initiatives and products. These include innovations, such as automated enforcement of red light running, to improve the safety of intersections. Speed management techniques are designed to reduce the 30 percent of fatal crashes in which speed is a factor. Rumble strips help prevent run-off-the-road crashes, which account for 38 percent of all fatal crashes. FHWA provides technical assistance to States like Maryland, whose 1999 data show a $182 safety benefit for every dollar spent on rumble strip installation.

In 2000, 13 percent of all traffic fatalities were pedestrians and bicyclists. Projects to raise public awareness of pedestrian and bicycle safety are designed to reduce the fatal crash rate for these vulnerable populations. Such projects include "Safer Journey", an award-winning pedestrian safety awareness CD-ROM that provides an interactive "virtual" journey home with critical safety choices on the way. Engineering improvements to make signs more visible and intersections safer for older drivers are taught through Older Driver Workshops for Engineers. Tools and training are being developed to help planners integrate safety in the metropolitan and State planning processes. The FHWA works closely with States and others to improve our ability to analyze roadway safety challenges and to direct investments to specific projects and programs. This will deliver the most value in terms of lives saved and injuries minimized.

Highway Safety Grant Programs

Since enactment of TEA-21, the Department has awarded a total of $729 million in State and community formula highway safety grants to encourage proper use of occupant protection devices; reduce alcohol and drug-impaired driving; reduce crashes between motorcycles and other vehicles; reduce school bus crashes; improve police traffic services; improve emergency medical services and trauma care systems; increase pedestrian and bicyclist safety; improve traffic record systems; and improve roadway safety.

TEA-21 also established several new safety incentive grant programs. Highway safety programs that TEA-21 authorized have been integral to reducing death and injury on our highways through seat belt use promotion and alcohol-impaired driving countermeasures. Between FY 1999 and FY 2002, NHTSA awarded approximately $323 million in Seat Belt Incentive and Innovative grants. Between FY 1999 and FY 2001, NHTSA awarded $31.3 million to States for Occupant Protection Incentive grants, which fund projects to increase seat belt and child safety seat use through increased enforcement of safety belt and child safety seat laws, air bag education, and correct child safety seat usage education. As of June 2001, seat belt use was at 73 percent, up from 65 percent in June 1998. Seat belt usage saves an estimated 12,000 people annually.

In addition, TEA-21 established incentive grant programs designed to reduce deaths and injuries resulting from alcohol-impaired driving. From FY 1998 through FY 2001, NHTSA awarded approximately $253 million in incentive grants to States that enacted and enforced 0.08 Blood Alcohol Concentration (BAC) laws. In FY 1998, the first year of these incentive grants, 15 States had .08 BAC laws in effect. By FY 2001, 27 States, the District of Columbia and Puerto Rico had complying .08 BAC laws in effect, a significant increase since initiation of the program. Between FY 1998 and FY 2001, NHTSA awarded approximately $132 million to States for Alcohol-Impaired Driving Countermeasures Incentive grants, which fund projects to reduce drunk driving through implementation of new laws, innovative programs and increased enforcement.

Due to transfer programs established under TEA-21, the number of States with open container laws has increased from 14 to 35 including the District of Columbia and the number of States with Repeat Offender laws has increased from 4 to 28 including the District of Columbia.

Transit Safety

TEA-21 continued the Federal Transit Administration's authority to assure that safety and security needs are being addressed. The Act requires that grant recipients spend at least one percent of their funds on safety and security, unless they certify that such expenditures are not necessary. FTA verifies compliance with this requirement through its triennial review program. Recipients of grants under the "New Starts" program must establish comprehensive safety and security programs and demonstrate their technical capacity to carry out those programs. Additionally, FTA makes capital grants to public transportation agencies for crime prevention and security, as well as research and demonstration grants for both safety and security. Finally, FTA trains over 5,500 public transportation employees each year through the Transportation Safety Institute and National Transit Institute, and provides guidance, manuals and best practices to transportation agencies nationwide.

Transit has an enviable safety record. Across all modes of public transportation, accidents per million passenger miles decreased by nearly 28 percent between 1993 and 1999; transit passenger injuries per million passenger miles declined nearly 24 percent; and fatalities rates remained stable at .008 deaths per million passenger miles. Largely as a result of technological advances, both light rail and heavy rail showed very significant declines in accidents and injury rates.

Motor Carrier Safety

TEA-21 and the Motor Carrier Safety Improvement Act of 1999 (MCSIA) created new programs and tools for the Department and the States to improve safety. TEA-21 increased flexibility for grantees, strengthened Federal and State enforcement capabilities, and provided greater administrative flexibility to promote innovative approaches to improving motor carrier safety. From 1998 through 2001, States received $406 million in Motor Carrier Safety Assistance Program (MCSAP) grants to perform roadside vehicle and driver inspections and other activities to improve the safety of commercial vehicles in their States. TEA-21 also placed greater emphasis on targeting unsafe carriers and improving the information systems and analyses that underpin all national motor carrier safety activities.

TEA-21 gave States greater flexibility to design their motor carrier safety enforcement plans with their particular safety challenges in mind, required coordinated traffic safety planning at the State level, and provided significantly higher levels of funding assistance to States through MCSAP. This increased funding is helping States improve their commercial driver license (CDL) programs. Since 1998, $15.6 million in special commercial driver license grants have been awarded to States to improve the flow of licensing and violation information and step up measures to protect against fraudulent

licensing schemes. More than $15 million in additional grants will be awarded this year.

Today 20 States are receiving funds to implement the Federal Motor Carrier Safety Administration's (FMCSA) Performance and Registration Information System Management (PRISM) program up from 5 States in 1998. TEA-21 placed special emphasis on using safety information systems to target enforcement on carriers with poor safety records. The Commercial Vehicle Information System Network (CVISN), allows States, the Federal government and motor carriers to exchange information to support targeting of high-risk carriers at the roadside. Four States have deployed CVISN, and 30 additional States are ready for deployment.

Using the dedicated funding provided by TEA-21 for safety information systems, the Department has made data on motor carriers' safety performance widely available to the public through our website. This enables businesses to make sure their products move with safe carriers and exerts market pressure on carriers to improve safety performance.

TEA-21 also increased penalties for violations of Federal motor carrier safety regulations, allowing fines of up to $10,000 to be assessed for each non-record keeping safety violation. In April of 1999, we issued guidance to our State Directors to increase penalty assessments consistent with the new levels established in TEA-21 to induce carriers to comply with safety laws by making it financially unacceptable to ignore them.

Federal compliance reviews of motor carriers with poor safety performance records have increased dramatically in the years since passage of TEA-21, up more than 130 percent since 1998. These reviews provide an outstanding opportunity for safety investigators to meet face-to-face with top carrier officials to stress the importance of security as well as safety.

In a special effort since September, FMSCA investigators have visited more than 36,000 carriers of hazardous materials to help identify potential vulnerabilities and discuss immediate steps to tighten security procedures.

The Department is well underway in implementing a wide range of actions to ensure there is no compromise to motor carrier safety as the Administration maintains its commitment to the North American Free Trade Agreement. Rules will soon be issued to establish an application process and strict safety monitoring systems for Mexican motor carriers. FMCSA is hiring 219 additional Federal border safety personnel to ensure Mexican trucks entering the U.S. are in compliance with driver licensing requirements, Federal Motor Carrier Safety regulations, and Hazardous Materials regulations. We are working with closely with States, the General Service Administration, the U.S. Customs Service, and Mexican safety officials to coordinate our actions.

We must build on the safety gains made through TEA-21 to make even more substantial safety and security improvements in our surface transportation system. The reauthorization process furnishes the opportunity to make enhanced security an essential

part of the surface transportation system, while addressing the core national goals of mobility, congestion relief and economic growth.

Mobility and System Upgrading

ISTEA and TEA-21 placed an increased emphasis on developing a seamless, intermodal transportation system that links highways, rail, transit, ports and airports. The dramatically increased funding under TEA-21 also enhanced mobility by upgrading the condition of highways, particularly the NHS, and transit systems. As a direct result of the increased spending provided in TEA-21, overall highway system conditions – as measured by pavement condition, ride quality, alignment adequacy, bridge ratings, and the condition of rail transit assets – have improved.

Federal highway funds have been used for a variety of system improvement and congestion relief purposes, depending on the priority needs and goals of each State. In recent years, for example, approximately 50 percent of Federal funds were obligated for system upgrading purposes, including reconstruction, widening, restoration and rehabilitation, and resurfacing. These investments have led to a steady improvement in pavement condition: in 2000, 90.9 percent of travel on the NHS occurred on pavements rated acceptable or better.

Moreover, under TEA-21, States continued to reduce the number of bridges rated structurally deficient. In 2001 the percentage of deficient NHS bridges had been reduced to 21.2 percent. In FY 2001, FHWA provided $3.5 billion in TEA-21 funding through the Highway Bridge Replacement and Rehabilitation program. States used these funds for approximately 3,000 bridge projects, including seventeen major replacement or rehabilitation projects and three seismic retrofit bridge projects that received almost $88 million in funding. The Innovative Bridge Research and Construction Program emphasizes the role of high-performance materials and construction techniques in reducing maintenance and life-cycle costs. Through 2001, this program has awarded $55 million to help local and State highway agencies defray the cost of incorporating innovative materials and technologies in bridge construction.

Under the Federal Lands Highway Program, Federal land management agencies and Indian tribal governments across America have obligated over $2.4 billion in funding to improve roads, bridges, and transit systems on Federal and Indian lands.

Building on the model of the Alameda Corridor Project, TEA-21 established new programs that enabled improved connectivity across modes, particularly in the area of freight movements. The National Corridor Planning and Development/Coordinated Border Infrastructure Program (also known as the Corridors and Borders Program) has funded numerous freight improvement projects as well as many economic development projects, pedestrian improvement projects, and multi-modal studies, while strengthening the focus on international corridors and gateways with America's NAFTA trading partners.

TEA-21 re-emphasized and focused attention on freight movement within the statewide and metropolitan planning processes, initially called for in ISTEA. As part of a comprehensive effort to assist States and MPOs in better understanding freight demands and issues, the Department developed the Freight Analysis Framework (FAF). The comprehensive national database and analytical system of the FAF allows for analysis of increasing demand for freight transportation, assessments of the implications of freight demands for the entire surface transportation system and improvements in freight efficiency and security.

Although Federal funding represented only 17 percent of the Nation's total investment in transit in 2000, stable federal funding has translated into results for the transit-riding public. Under ISTEA and TEA-21, the substantial investment in the Nation's transit systems has led to a 17 percent increase in total capacity and a corresponding 24 percent increase in transit ridership. Traveling to and from work, medical appointments, school, and social events, people rode our Nation's buses, subways, light rail, commuter rail, ferries, and other modes of public transportation 9.4 billion times in 2000. Transit ridership reached a forty-year high, and Americans saved $60 billion in lost time and productivity, reducing the national cost of traffic congestion by one-third, and increasing the time and resources available for our families, work, recreation, and communities.

The FTA's New Starts program has been a significant financial resource for supporting local transit capital investments. FTA rating criteria now include consideration of impact on mobility and local financial commitment, and these criteria are applied case by case as appropriate. TEA-21 has provided the highest level of New Starts funding ever, at $6 billion over six years. As of today, there are 29 public transportation projects under Full Funding Grant Agreements (as compared with 13 in ISTEA), and this will rise to 36 projects by 2003 with an additional 50 projects in the preliminary engineering or final design stage. FTA's Capital Investment programs have often been the catalyst for revitalizing urban areas and jump-starting development in small- and medium-sized cities.

TEA-21 also established the Bus Rapid Transit (BRT) demonstration program. The program has initiated ten demonstration BRT projects nationwide. An additional seven cities have proceeded with their own BRT projects, introducing rapid, convenient, cost-effective transit in some of America's fastest growing cities. Bus Rapid Transit (BRT) has also benefited from technological advances made possible, in part, through TEA-21. Combining exclusive transit-ways, modern stations, high-tech vehicles, and frequent service, Bus Rapid Transit provides – at a fraction of the cost of rail – the high level of service that people want and expect from more expensive transit systems. And investments in Intelligent Transportation System projects have made Bus Rapid Transit even more convenient, fast, reliable and safe.

For example, Automated Vehicle Location technologies such as satellites or roadside sensors can now track the location of BRT vehicles, providing information for

electronic "next vehicle" displays at stations and on-board automated stop announcements. Signal priority systems also use vehicle location information to control traffic signals cycles to give priority to BRT vehicles, while transit operators use it to achieve more consistent passenger wait times. The signal priority system of the Los Angeles Metro Rapid BRT system along the Ventura, Willshire and Whittier corridors, for example, has reduced transit travel times by 20 to 25 percent, and total ridership is up by almost 30 percent. In Miami, ridership along the eight-mile South Busway has doubled to over 15,000 trips per day since it opened in 1996. And in Seattle, a regional Bus Rapid Transit system provides no-transfer, high-speed rides for commuters going from home to work in Seattle's downtown district.

TEA-21 also authorized the Job Access and Reverse Commute (JARC) Program to reduce transportation-related barriers affecting people who are transitioning from welfare to work. Many beneficiaries of the JARC program are inner-city residents who must reach the growing suburban job market. Others need transportation to jobs late at night or on weekends, when transit service is often reduced or non-existent. Further, over half of all women leaving the welfare rolls have young children who must be taken to and picked up from child-care, frequently as part of their commute to and from work. Leveraging federal dollars with a 50 percent matching requirement, through more than 300 active projects in 44 states, the JARC program is providing millions of rides to people striving to get and keep jobs.

New Technologies

Under TEA-21, the Department of Transportation has made strides in research. Research programs include development and deployment of Intelligent Transportation Systems (ITS), pavement improvement, congestion reduction, seismic hardening of highway infrastructure elements, strengthening of bridges, and new tunnel technology. The Highway Safety Research and Development program is the scientific underpinning for the Department's national leadership in highway safety programs, and includes behavioral research to reduce traffic deaths and injuries, crash avoidance research, roadway design and operational improvements, and vehicle safety performance standards. Rail-related research and development has focused on the next generation of high-speed rail equipment and train control, maglev systems, and innovative technologies to mitigate grade crossing hazards.

TEA-21 authorized a total of $603 million for ITS research for FY 1998 to 2003, and significant progress has been made in applying this technology to our surface transportation system. TEA-21 called for development of a national ITS architecture to plan for regionally and nationally compatible deployments of ITS and, currently, 200 architecture development efforts are underway or completed. TEA-21 also called for the accelerated development of national ITS standards and, in the last four years, 51 standards have been approved and published.

Significant progress has been made in ITS deployment. From 1997 to 2000, we have experienced a 37 percent increase in the number of freeway miles with real-time traffic data collection technologies, a 55 percent increase in the coverage of freeways by closed circuit television, a 35 percent increase in the number of buses equipped with automatic vehicle location systems, and an 83 percent increase in traveler information dissemination on our freeways. However, only 22 percent of the freeways in major metropolitan areas are instrumented for real time monitoring. ITS deployment will continue to be a high priority for the Department.

America has begun the adoption of a new, easy-to-remember, local traveler information telephone number--511. It provides information about highways, as well as the status of transit buses, ferries, light rail, and other public transportation in local communities. Currently, 511 services have been launched in 3 locations -- Metro Cincinnati/Northern Kentucky, statewide in Nebraska, and statewide in Utah. Twenty systems are under development, with seven preparing to begin operation in early 2002.

The Department's multimodal Intelligent Vehicle Initiative is a crucial part of the ITS program. The field operational tests of safety improvements now being conducted will provide greater insight into the practicability of real world use. This research conducted on driver performance, crash avoidance and warning system performance, and motor vehicle safety performance standards offers the promise of future reductions in highway deaths and injuries.

A focus for reauthorization will be improved operation of surface transportation systems, and ITS will have a major role in accomplishing this objective. The Department would like to focus the use of these technologies on providing more relevant and real time information to the traveling public. To address the issues of congestion, security, and emergency response, the Department not only has to complete the deployment of ITS infrastructure in metropolitan areas, but also needs to develop new partnerships with the public safety community and focus on managing the system for better reliability.

A major emphasis in ITS will continue to be in the area of intermodal freight, including addressing the urgent issue of security. The Department is conducting several ITS operational tests that are designed to improve the efficiency and security of the intermodal movement of freight. The Chicago O'Hare cargo project, which is an operational test, uses a "smart card" and biometric identifiers to identify the shipment, vehicle and driver during transportation from the shipper to and through the air cargo terminal. Another project, Cargo-Mate, has particular applicability to port and container security, in addition to enhancing efficiency of freight movement. The system is designed to perform real-time processing of asset and cargo transactions, provide for the surveillance of cargo movement to and from ports, and provide an integrated incident and emergency response capability.

Quality of Life

TEA-21 has given States and communities across America additional tools and opportunities to enhance the environment and quality of life for their residents. It continued and increased funding for several programs originally authorized in ISTEA, broadened eligibility for others and established the new Transportation and Community and System Preservation (TCSP) pilot program.

The TCSP program was authorized at $120 million as a discretionary grant program to strengthen the linkages between transportation and land use. The grants have provided funding for planning and implementation as well as technical assistance and research to investigate and address the relationship between transportation, community and system preservation, and private sector-based initiatives.

The Congestion Mitigation and Air Quality Improvement Program has focused on improving air quality. Under TEA-21, it provided more than $8 billion in funding for use by State and local partners to support traffic flow projects, cleaner fuels, improved transit services, and bicycle and pedestrian programs that reduce congestion and emissions and improve the quality of life.

The National Park Service has purchased buses to reduce congestion in several major National Parks. The Federal Lands Highway Divisions are using context sensitive design techniques and new technology to reconstruct or improve roads through environmentally sensitive areas within National Parks, National Forests, and wildlife refuges.

The National Scenic Byways program and the Transportation Enhancements program have helped States and communities improve the environment. Since the enactment of TEA-21, more than $1.4 billion in Transportation Enhancement funds have been obligated to local communities to implement community-focused, non-motorized activities that enhance transportation. Many more activities have been programmed and are awaiting implementation.

TEA-21 directed the Department to streamline environmental reviews. It is a major priority for the Department to assist States and communities build infrastructure more efficiently, while retaining critical environmental protections.

Successful environmental streamlining requires fostering good working relationships across a number of organizational lines. These relationships allow for the development and establishment of reasonable and realistic schedules for advancing major projects. It is important for the Department to facilitate agreement by Federal agencies on time frames for conducting reviews and granting approvals. Working together in partnerships, combining a full range of Federal, State, and local officials and interest groups, will lead to reasonable ways to meet the Nation's transportation needs, while being good stewards of the environment.

The FY 2002 Department of Transportation Appropriations Conference Report, of November 30, 2001, directed FHWA to report on agency streamlining efforts by January

2, 2002. Although Congress requested only a summary of FHWA activities, we have compiled a comprehensive report of activities and accomplishments to streamline the environmental review process, in order to provide a more complete picture. The report is undergoing final review, and we anticipate delivering it to Congress very shortly.

The Department's streamlining approach, as described in the report, has resulted in:

- Reinvention of the environmental review process, through interagency training, development of national programmatic agreements, and guidance that encourages flexible mitigation practices.

- Definition of a system for dispute resolution that includes draft national procedures, guidance for managing conflict during the project development process, and assistance by qualified dispute resolution specialists to states and project sponsors.

- Research conducted to evaluate project time frames, identify reasons for project delays, and assess the effectiveness of implementation efforts.

- Assistance, support, and encouragement to develop numerous best practices and pilot projects to catalyze change and lead to even better streamlining outcomes.

We have begun the job, but more can be done. Since the enactment of TEA-21 in 1998, progress has been made in streamlining the planning and approval process for projects throughout the country: 33 States have interagency personnel funding agreements that result in faster, concurrent reviews; 23 States have adopted a merged process for wetland permits with the Army Corps of Engineers; 15 States have adopted context sensitive design approaches; and 31 States have some level of delegated authority for historic resources. As a result of these actions, the mean time to process environmental documents for major highway projects has been cut by almost eight months, the median time has been cut by one year, and the Department is well positioned for significant future progress.

Innovations such as these, and many undertaken under the other topics we have addressed, take good data for analysis, and we would last note the value of the Bureau of Transportation Statistics to our ability to implement TEA-21 effectively. The Bureau of Transportation Statistics has in the past 10 years become a key data source for the transportation community. BTS is focusing on several key initiatives that will provide better data for more informed decision-making. More frequent surveys of freight movements will make the data used by States more timely, complete and geographically detailed. A series of safety data projects will help target crash and fatality reduction. A more accessible on-line website will provide one-stop shopping for transportation data. Gathering of bicycle and pedestrian information will help local planning efforts. BTS is also the lead agency for the national spatial data infrastructure, a government-wide geographic information effort that has important implications for homeland security.

Building on TEA-21

The Department of Transportation looks forward to working with both Houses of Congress, State and local officials, tribal governments, and stakeholders in shaping the surface transportation reauthorization legislation. The Department has established an intermodal process to develop surface transportation legislative proposals for reauthorization. A number of intermodal working groups have already identified key issues and programmatic options for consideration. In the next few months, the Department will work with stakeholders and Congressional committees in shaping the reauthorization legislation.

Under the Secretary's leadership, the Department's reauthorization effort will be motivated by certain core principles and values:

- Assuring adequate and predictable funding for investment in the Nation's transportation system. This funding can contribute to the long-term health of the economy and, by enhancing the mobility of people and goods, promote greater productivity and efficiency.

- Preserving state and local government funding flexibility to allow the broadest application of funds to transportation solutions.

- Building on the intermodal approaches of ISTEA and TEA-21.

- Expanding and improving innovative financing programs, in order to encourage greater private sector investment in the transportation system, and examining other means to augment existing trust funds and revenue streams.

- Emphasizing the security of the Nation's surface transportation system.

- Making substantial improvements in the safety of the Nation's surface transportation system. It is not acceptable that the Nation suffers 41,000 deaths and over 3 million injuries annually on the highway system.

- Strengthening the efficiency and integration of the Nation's system of goods movement by improving international gateways and points of intermodal connection.

- Simplifying Federal transportation programs and continuing efforts to streamline project approval and implementation.

- Developing the data and analyses critical to sound transportation decisionmaking.

- Fostering the development and deployment of technology, such as pavement monitoring, message systems, remote sensing, and toll collection, to promote intelligent transportation systems.

- Focusing on the performance of the entire transportation system, through better planning, management, construction, operations, asset management, maintenance and construction.

- Increasing the accessibility of the transportation system so that all Americans can enjoy its benefits.

It is particularly important to underscore that as we launch the process in the wake of September 11, we are mindful of the overarching importance of continuing to address the security of our Nation's transportation system. Following the September attacks, Federal, State and local officials, transit operators, motor carriers, and police departments took immediate steps to enhance security. They added security personnel, emphasized security awareness and response training, and began the process of hardening our transportation infrastructure against the threat of terrorism. This urgent work is continuing. We look forward to working with Congress on these critical requirements as the reauthorization process continues.

This is a moment of great opportunity. As was true when Congress considered the landmark ISTEA and TEA-21 legislation, we have an opportunity to create our own legacy and to serve the needs of the American people. We are confident that, working together, the Department and Congress can preserve, enhance, and establish surface transportation programs that will provide not only for a safer and more secure system, but one which is more efficient and productive and enhances the quality of life. One answer to the events of September 11 is to strengthen, not diminish, the right of all Americans to mobility and to grow the economy. These goals should characterize our work on enacting new surface transportation legislation.

Again, Mr. Chairman, thank you for the opportunity to testify before your subcommittee today. We look forward to responding to any questions you may have.

QUESTIONS FOR THE RECORD

House Transportation and Infrastructure Committee
Subcommittee on Highways and Transit
Hearing on
"Building On Success: Administration Perspectives on Current Issues Affecting Reauthorization of TEA 21"
February 7, 2002

QUESTIONS FOR ADMINISTRATOR PETERS

Budget

1. The President's Budget Proposal for 2003 cuts highway funding about 27 percent from 2002 levels. Many have concerns that the States and highway industry cannot weather such a cut. Thousands of jobs would be lost if Congress approved this budget. Although the funding level meets the guaranteed minimum required by law, additional funding outside the firewall is authorized. Considering the President's position in support of job creation, why isn't more highway funding outside the firewall included in the budget?

ANSWER: During the period of 1998-2002, our Nation has been reaping the benefits of record-level funding for surface transportation as authorized in TEA-21. In FY 2003 we will experience the first downward adjustment of the funding limit for highways. This too is part of TEA-21's promise that highway funding limits would be consistent with Trust Fund tax receipts. The President's budget, as mandated in TEA-21, aligns highway funding with highway revenues, and was developed within the overall fiscal constraints of the current economy. Spending above the TEA-21 firewalls must compete with other priorities or result in an increase in the deficit.

2. Our Committee and the Senate Environment and Public Works Committee are introducing identical bills to restore $4.4 billion in highway funding to reach the unadjusted levels written into TEA-21. With this restoration, we estimate that more than 180,000 jobs can be saved over the next seven years. Saving these jobs is consistent with the President's message in his State of the Union Address. Furthermore, budget estimates show that the Highway Trust Fund can easily sustain this level of funding for the foreseeable future. Can we count on you to take the time to review this bill and consider offering your support sometime in the future?

ANSWER: As FHWA Administrator, I appreciate the bipartisan efforts, in both the Senate and the House, to address the impact of the RABA calculation as it affects FY 2003. I look forward to working with this Committee, and the Congress as a whole, to appropriately address the impacts on the programs funded from the Highway Trust Fund, as a result of the recent economic slowdown and our projections of future Highway Trust Fund receipts.

Appropriators' Earmarks

3. The President's Budget Proposal criticizes the Appropriations Committee for earmarking many of the allocated, discretionary programs. We agree with you. For example, although TEA-21 clearly requires Intelligent Transportation System Research and Development funds to be competitively awarded, the appropriators have earmarked them completely. What effect has this had on your ability to administer allocated programs in a way that maximizes their benefits to the traveling public?

ANSWER: The impact of earmarking on the ITS Deployment Program has been two-fold. First, it has eliminated competition from the program. We believe that had these funds not been earmarked, and had we been given the opportunity to award these grants competitively, we would have been able to better maximize the benefits of the program. Many cities would have applied and, even though not selected, would have gone ahead with deployment. We believe a truly discretionary program, administered through a competitive process, would allow us to better select and fund those projects that clearly meet TEA-21's objectives and best advance the integrated deployment of ITS. Second, it has restricted our ability to achieve the TEA-21 goal of deploying the Commercial Vehicle Information Systems and Networks (CVISN) in the majority of States by TEA-21. The ITS Deployment program as specified in TEA-21 envisioned significant funding being made available to States for CVISN implementation. The amount of funding actually available for CVISN implementation has been significantly reduced through the earmarking process, thus slowing its implementation.

While the Department would have preferred that the program not be earmarked, we have worked aggressively with the selected jurisdictions to ensure that the funds provided are used as intended in TEA-21 as much as possible. By identifying locations as opposed to projects, the Congress has given the Department the flexibility to work with the selected jurisdictions to develop project agreements that meet the requirements established in TEA-21. As a result, the projects being implemented are contributing to the program goal of advancing of ITS deployment and integration across the United States, though not to the extent that would have been possible if the program had remained discretionary.

Rest Stops

4. In TEA-21, Congress directed the Department of Transportation to study the extent of the truck parking shortage. That study is now more than six months late. It is my understanding that the study is complete, but the Department has not yet released it. It is our hope that the report is made available as soon as possible. When do you expect the study to be released?

ANSWER: The report, "Study of Adequacy of Parking Facilities," is currently undergoing final review, and will be delivered in the near future.

Streamlining

5. I am very pleased to see that the new Administration is finally beginning to achieve some success with streamlining the environmental review process. Has delegation of agency responsibility to the States been an effective method in reducing delays?

ANSWER: We have promoted maximum delegation permitted by Federal laws, and this has been extremely helpful. However, I should note at the outset, that in most cases Federal laws do not permit delegation of the ultimate decisions to State or local governments - e.g., approval of categorical exclusion determinations, findings of no significant impacts, environmental impact statements, records of decision, or determinations under section 4(f) of the Department of Transportation Act of 1966 (4(f)). Where Federal laws permit delegation, we are trying to maximize it. Where they do not permit delegation, we still look for ways to delegate certain steps in the process to States, to the extent permissible under statute.

Despite the statutory limitations, delegation of agency responsibility to States has been an effective tool for streamlining and we have been encouraging all of the Federal review and permitting agencies to use their existing administrative authority to maximize flexibility to States. The vehicles for delegation of such flexibility through programmatic agreements, regional general permits, etc., must be negotiated among State and Federal interests. While it can take time to set up these mechanisms, the process efficiencies and time savings can be significant.

For example, over half of the States have interagency agreements concerning section 106 (National Historic Preservation Act) compliance. Such agreements may involve excluding from State Historic Preservation Officer (SHPO) review certain routine projects that have minimal or no impact on historic properties, or delegating the responsibility to initiate consultation with the SHPO from the FHWA Division office to the State transportation department. In all States, such agreements allow resources to be devoted to addressing major issues. In some States, programmatic agreements have decreased the workload of the SHPO and State DOTs by 90% on minor projects.

We encourage some level of delegation by resource agencies to States for small and no-risk projects (e.g., screening, data collection, inventories for evaluation) but more can be done. In particular, the U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS) have entered into relatively few programmatic agreements with States. An important challenge is getting the resource agencies to an appropriate level of comfort for them to yield some of their responsibilities to the States. It is also important to recognize that statutes (e.g. Endangered Species Act (ESA)) which govern the FWS and NMFS procedures are among the most restrictive when it comes to allowing administrative flexibility. FHWA will soon be releasing guidance that clarifies existing flexibility under the ESA to delegate responsibilities in informal consultation to State applicants. FHWA is also promoting the use of programmatic 4(f) agreements to expedite 4(f) reviews, although the statute makes clear that FHWA is legally accountable for 4(f) determinations for projects involving Federal highway funding or approvals.

6. Some have suggested that additional legislative action is vitally important to expedite delivery of projects. Chairman Young has indicated he would like to introduce legislation on this. Ranking member Oberstar lent his support to such an effort-- as long as public participation and environmental statutes are not weakened. Many legislative proposals have been raised at hearings. In addition to your administrative activities, are there any legislative actions on streamlining that you are particularly supportive of? Would you be supportive of legislation that streamlines interagency approvals, reforms section 4(f), and increases delegation of agency activities?

ANSWER: The Administration will be considering all options, including legislative ones, to advance streamlining. For example, FHWA will be taking a close look at 4(f) and whether legislative change is warranted. Similarly, FHWA will be looking at the potential for legislative relief for Interstate highways and bridges that are potentially subject to both section 4(f) and the Section106 process, when they reach the age of 50. It is important to support the intent of the original provision of TEA-21 -- expedited reviews with environmental protection legislation that builds upon the existing framework. However, we need to be very careful not to add more complexity to an already complicated process. We also need to be mindful that partnerships and cooperative problem solving with environmental agencies are required if we offer solutions that affect laws under their statutory jurisdiction.

I am aware that members of Congress are also considering legislative options, and I look forward to reviewing any legislation proposed by Chairman Young or other members on streamlining.

Miscellaneous

7. Some have expressed interest in expanding the eligibility of the Highway Trust Fund. With the limited resources available for critical highway improvements, doesn't it make sense to ensure that the National Highway System and critical highway bottlenecks receive adequate funding before an expansion of eligibility is considered?

ANSWER: Intermodalism is the foundation for meeting transportation needs in the 21st century. TEA-21 expanded flexibility in the use of funds in order to improve the ability of States and localities to choose the best mix of projects to meet their individual transportation needs.

There has been consideration given in the past to expanding Federal-aid highway program eligibilities to include non-highway projects meeting specific criteria, such as publicly owned rail or seaport infrastructure. In evaluating eligibility alternatives, it is critical that we ensure that adequate resources are available to preserve our Nation's highway infrastructure investment. Expanded eligibility will no doubt continue as an issue in the upcoming reauthorization as DOT continues to strive for improved efficiency in the movement of people and goods.

The Federal Transit Administrator's Response to Representative Thomas E. Petri's Questions for the Record Following the February 7, 2002, Hearing on "Building on Success—Administration Perspectives on Current Issues Affecting Reauthorization of TEA-21" Before the House Committee on Transportation & Infrastructure Subcommittee on Highways & Transit

Q. 1. In what seems to be a clear signal of the Department's intent for reauthorization, the fiscal year 2003 budget proposes to limit the federal share of new start rail projects to 50 percent for all projects that do not have a full funding grant agreement in place for October 1, 2003. If this provision were enacted, how do you think it would affect FTA's ongoing negotiations with new starts projects?

A. 1. Due to the limits on funding available for new starts projects, FTA has long encouraged project sponsors to exceed the statutory minimum local share, and has taken into account a sponsor's "overmatch" as part of FTA's evaluation of the statutory criterion for local financial commitment. This criterion was codified in FTA's major capital investment rule, 49 C.F.R. § 611.11(a) (effective April 6, 2001), which specifies that one of the measures for FTA's evaluation of local financial commitment is the proposed share of project costs to be met using funds from other than the Section 5309 new starts program. As of February 2002, there are 29 projects under full funding grant agreements with an aggregate cost of $19.20 billion; the aggregate federal commitment to those projects is $9.46 billion (49 percent).

The Conference Report accompanying the Fiscal Year 2002 Department of Transportation and Related Agencies Appropriations Act directs FTA not to sign any new full funding grant agreements after September 30, 2002, that have a maximum federal share of higher than 60 percent. FTA has alerted all new starts project sponsors with which it is negotiating a full funding grant agreement of the Conference Report directive, as well as the 50 percent limitation in the Department's FY03 budget proposal.

Currently, FTA is negotiating a full funding grant agreement for only one project that would require a federal share higher than 60 percent. The New Orleans Canal Streetcar Spine is requesting a federal share of 80 percent. FTA expects to execute a full funding grant agreement for that project before September 30, 2002.

Q. 2. Aren't you concerned that, in increasing the local match requirement, you lose a "level playing field" with highway projects? Won't this match inequity influence the decisions reached by transportation planners as they try to determine what transportation solution is the best alternative for their community?

A. 2. The 49 U.S.C. § 5309 new starts program is a discretionary grant program, and, as such, FTA is required by law to consider the level of local funding commitment when rating new starts project proposals. Limiting the federal share of new starts projects to fifty percent will enable FTA to award a greater number of full funding grant agreements and accommodate additional projects in the New Starts pipeline.

The Federal-aid highway program, on the other hand, is a formula program. No Federal decision making criteria are required or applied to the distribution of these funds. This is the same as the Formula Grants program under FTA, which has the same 80/20 Federal/Local match program, thus providing a "level playing field" with highways.

Notwithstanding the absence of a statutory requirement for alternatives analysis and statutory criteria for project justification and local financial commitment applicable to Federal-aid highway projects, the joint FTA/FHWA planning requirements at 23 C.F.R. Part 450 are designed to ensure a consistent process for capital highway and transit project development in Statewide and Metropolitan Planning. The Secretary and FTA want to work with the House and Senate surface transportation authorization committees to ensure that this consistency continues, and that state and local transportation decision makers are encouraged to weigh the relative merits of a highway or transit project, rather than the federal matching ratio, in choosing one or the other for design and construction.

Q. 3. The Transportation "Budget in Brief" states that DOT will seek authorizing legislation to provide $145 million for the New Freedom Initiative. Can you tell me what the purpose of this new program is? When will you send up the proposed legislation?

A. 3. There are an estimated 54 million Americans who have a physical or mental disability that significantly limits one or more of their major life activities. Approximately 70 percent of adult persons with disabilities are unemployed. One-third of persons with disabilities report that transportation is a significant problem for them.

Notwithstanding the enactment of the Americans With Disabilities Act (ADA) in 1990, the lack of adequate transportation continues to be a principal barrier to employment for persons with disabilities. The ADA requires only the existing public transportation be accessible; it does not address the gaps in transportation services for persons with disabilities. The President's New Freedom Initiative (NFI) is intended to provide additional tools to overcome barriers facing Americans with disabilities who seek access to jobs and integration into the workforce. The transportation component of NFI would expand mobility options beyond the minimums required by the (ADA) and better meet the specific needs of persons with disabilities. It consists of two proposed programs:

> i) A *competitive grants* program, with $100 million to be made available for alternative transportation provided by community-based organizations, public

agencies, and other transportation providers to provide access to the workplace for persons with disabilities; and

ii) A *pilot project* program, with $45 million to be made available for innovative approaches to overcoming transportation barriers facing persons with disabilities.

The President's budget proposes that these NFI programs be funded as a takedown from FTA's existing Section 5307 Formula Grants program. Authorizing legislation is under development and will forwarded soon.

Q. 4. The fiscal year 2002 transportation appropriations bill included 76 new starts earmarks, of which 36 which not yet in final design or construction. These "less mature" projects represent 16 percent of the new starts program funding, although there is a TEA-21 limitation of 8 percent. As a result, 14 full funding grant agreements were under-funded. How does this overzealous earmarking affect the integrity of the full funding grant agreement mechanism? How might it affect reauthorization?

A. 4. The integrity of the full funding grant agreement (FFGA) mechanism depends both upon adherence to FTA's new starts rating and evaluation criteria and the reliability of the funding schedule set forth in "Attachment 6" to an FFGA (the Schedule of Federal Funds for a project). The earmarking for projects not yet in final design or construction undercuts the new starts rating and evaluation criteria by diverting Section 5309 funds from allocation to projects already under an FFGA, and it compromises the ability of grantees with projects under FFGA to keep their projects on schedule and within budget.

FTA recommends new starts projects for funding based on the statutory and regulatory criteria for project justification and local financial commitment. FTA recommends Section 5309 funding only for those projects for which FTA has awarded FFGA, for which an FFGA is pending or proposed, or which are strong candidates for FFGAs in the coming fiscal year. Projects not yet in final design or construction cannot yet be considered strong candidates for FFGAs, thus, earmarking for those projects dilutes the availability of funding for the worthiest, more mature projects.

When a grantee is awarded an FFGA it enters into any number of financial commitments that are premised on its receipt of federal funding in accordance with Attachment 6 of the FFGA. If a grantee under an FFGA receives substantially less federal funding than anticipated in any given year, it may be difficult for the grantee to keep its project on schedule and within budget; the lack of federal funding may jeopardize both the grantee's ability to pay its contractors and suppliers and to secure financing for its local match to the federal share.

Moreover, earmarking for projects not yet in final design or construction may complicate reauthorization of the new starts program by unduly increasing the demand for federal funds. Many project sponsors are inclined to presume that once they receive a new starts earmark they will eventually receive an FFGA. When added to the number of projects

currently under FFGA that have payouts scheduled in the next authorization, these projects earmarked but not yet in final design or construction would require a new starts program funding level considerably greater than that authorized under TEA-21.

Q. 5. Since the mid-1980s this Committee has actively sought improved coordination among human service transportation providers funded by the Department of Health and Human Services and services provided by agencies funded by the Department of Transportation. In 1987 a DOT/HHS Joint Council on Human Services Transportation Coordination was formed and there has been some measure of success in the intervening years in coordinating these services. However, much more could be done, and there is a growing impatience with the general lack of activity in this area. What action is currently being taken to remove the barriers to improved coordination of transportation services?

A. 5. FTA and HHS staffs meet regularly and are taking a number of steps over the next several months. First, the two agencies are preparing a Transportation Planning Tool Kit with information on the benefits of coordination, which will be widely distributed to state and local transportation officials; this package will include coordination Planning Guidelines, Case Studies, and a Resource Guide with information and summaries of the requirements for federally funded transportation and human service programs. In addition, the two agencies intend to publish a Case Study Document on how some states and localities have overcome barriers to coordination. In particular, the Case Study Document will focus on strategies that have been used to successfully address the different requirements triggered by multiple funding sources; from past experience, FTA and HHS recognize that the availability of successful examples and good information can be a positive influence for state and local officials in their efforts to coordinate their transportation strategies.

Moreover, since a significant amount of federal funding is provided for Medicaid transportation, FTA and HHS intend to continue to promote both the Medicaid Transit Pass Option and state-sponsored Medicaid and Human Service Transportation Brokerages. The two federal agencies have found that where localities have implemented pass programs and brokerages there have been many constructive results in expanding transportation services and reducing costs.

Additionally, FTA and HHS are working with the National Governors Association, public interest groups, and human service and transportation providers to inform their constituencies about the benefits of coordinated transit and human services transportation systems; continue our dialogue on the impediments to coordinated service delivery; and establish coordination performance measures to better gauge the progress we are making.

Finally, with so many federal transportation and human service programs scheduled for reauthorization, FTA and HHS will solicit suggestions from state and local officials and other interested parties on potential legislative initiatives that would promote the coordination of services across programs.

Questions for the Record 2-7-02

Questions for the National Highway Traffic Safety Administration

Sanctions vs. Incentives

Question 1: When it comes to highway safety, Congress has taken different approaches to support State safety programs. In TEA 21, we advocated incentive grants to encourage States to adopt comprehensive safety programs that achieve a measurable result. Other times, Congress has penalized or sanctioned States that do not pass laws Congress demands. Which approach do you prefer?

Answer:

TEA-21 contains sanctions provisions as well as incentives. As measured by the number of States adopting responsive provisions, TEA-21's sanctions have proved more effective than its incentive programs. For example, TEA-21 provides $500 million in incentives for States to enact laws making it unlawful to drive with a blood alcohol concentration (BAC) of 0.08 percent or higher. In response to this incentive, only three additional States (Texas, Kentucky, and Rhode Island), the District of Columbia (DC), and Puerto Rico enacted .08 BAC laws. After sanctions were enacted in October 2000 (effective October 1, 2003), 10 additional States enacted .08 BAC laws.

At the time of TEA-21's enactment, only 14 States had laws to prohibit driving with open containers of alcohol, even though incentive grant funds for this purpose had been available to States since 1991. After the enactment of sanctions in TEA-21, 20 States and DC have enacted complying open container laws.

Before TEA-21, four States had laws and programs for repeat offenders that would meet TEA-21's criteria for such programs. After the enactment of sanctions in TEA-21, 23 States and DC enacted complying repeat offender laws.

This pattern is consistent with experience prior to TEA-21, as shown by the minimum drinking age laws adopted after the enactment of funding sanctions in 1984, and the zero tolerance laws adopted after sanctions were enacted in 1995. All 50 States quickly adopted these laws.

Administrative Burdens on States

Question 2: Some have complained that the burden on the States to meet administrative requirements for grant approvals reduces the amount of time for planning, program delivery and evaluation. In your reauthorization proposal, will you consider proposals to combine grants, streamline approvals and ease the administrative burdens?

Answer:

The Department has established an intermodal process for the surface transportation reauthorization but has not developed specific proposals. As part of this process, NHTSA is considering simplifying or consolidating grants, streamlining approvals, and easing the administrative burdens on the States.

Improving Grant Programs

Question 3: Some highway safety experts have complained that the grant programs overemphasize occupant protection and impaired driving without providing adequate funding to address other safety problems. These other problems include an increasing number of older drivers, pedestrians and bicyclists in harms way. In your reauthorization proposal, will the Administration consider more flexibility in the grant programs to allow States to tailor their safety campaigns to their needs?

Answer:

As part of the Department's intermodal process for the surface transportation reauthorization, we will consider more flexibility in the grant programs to allow States to tailor their safety programs to their needs. However, we should point out that while most of TEA-21's highway safety incentive grant programs focus on occupant protection and impaired driving, TEA-21's Section 402 State and Community formula grant program allows States broad flexibility to determine their unique highway safety problems and to use their Section 402 funds for programs that address those problems.

Red Light Cameras

Question 4: In testimony, you cite the improvements in safety that result from red light running. During our July 31, 2001 hearing, the Subcommittee received testimony to the contrary. Haven't concerns been raised that these cameras actually cause accidents by making drivers act erratically?

Answer:

Scientific evidence strongly supports the proper deployment of red light running cameras to reduce crashes at intersections (*see* Retting, R.A. and Kyrychenko, S.Y. "Reductions in Injury Crashes Associated with Red Light Camera Enforcement in Oxnard, California," page 7, *TRB 81st Annual Meeting* (CD ROM). Transportation Research Board, Washington, DC, January 13-17, 2002). The anecdotes generally presented in opposition to the cameras are that some drivers tend to "push the yellow cycle" to avoid having to stop, but this behavior can be reduced by proper corridor signal timing and sequencing (Retting, at page 7).

While NHTSA's crash-reporting evidence points to a slight increase in rear-end crashes at intersections where cameras are located, studies indicate that this increase result from drivers following the lead car too closely, not from placing cameras at intersections. These crashes are not specific to intersections where red light cameras are placed. They occur at any location where the lead driver is required to make a stop.

Question 5: Is the Department advocating the use of red light cameras?

Answer:

NHTSA supports the use of technologies such as red light cameras that enhance traffic safety and enforcement efforts. NHTSA believes that automated enforcement technology, when properly deployed, has proven to be accurate, reliable, and effective, and that installing automated equipment such as red light cameras enhances the safety and efficiency of traffic system operations.

The Federal Highway Administration (FHWA) is the lead DOT agency for implementing and demonstrating red light camera technology. NHTSA has been working with FHWA to guide communities in the use of automated technologies to improve traffic safety. NHTSA also plans to work with other DOT agencies that have an interest in reducing intersection crashes, such as the Federal Motor Carrier Safety Administration and the Federal Railroad Administration, to develop guidance for State and local agencies responsible for implementing automated enforcement technologies.

Question 6: Often, the red light cameras are installed and maintained by contractors who recoup their cost by receiving a percentage of the ticket. While there seems to be a conflict of interest in this agreement, it has allowed municipalities to install and operate the cameras at no cost. Do you know of any instances where federal funds have been used to install or maintain a red light camera?

Answer:

There is flexibility within the Section 402 State and community highway safety formula grant program for a State to use these funds to support a general traffic enforcement program.

Between 1993 and 2001, FHWA spent approximately $565,400 on research and evaluation of red light running countermeasures, including red light running cameras.

Additional Questions for the Record 2-7-02

Questions for the National Highway Traffic Safety Administration

Question 1: Last year, there was an uptick in the number of highway deaths related to drunk driving, after years of a steady decline. What caused this increase?

Answer:

Alcohol-related fatalities increased by 4 percent in 2000. It is too early to determine whether 2000 marks the beginning of an upward trend or is a one-year anomaly. At this time, we believe this increase is due primarily to the demographics of an increasing teenage and young adult population, the age groups at highest risk for alcohol-related crashes.

In 2000, we also experienced increases in alcohol-related fatalities among female drivers and motorcyclists. The total of licensed drivers, registered motor vehicles, and vehicle miles traveled increased as well.

Question 2: What progress has been made by the States in passing .08 blood alcohol content legislation?

Answer:

On June 9, 1998, when TEA-21 was signed into law, only 16 States had .08 BAC laws (15 were in effect; Washington's law was not yet in effect). Fifteen new .08 BAC

laws have been enacted since that date. Twenty-nine States, the District of Columbia, and Puerto Rico now have .08 laws.

Question 3: Significant funding goes into alcohol programs under TEA 21, but goes out through a number of spigots. What are your thoughts on simplifying or consolidating some of these programs?

Answer:

The Department has established an intermodal process for the surface transportation reauthorization but has not developed specific proposals. As part of this process, NHTSA is considering simplifying or consolidating the alcohol programs under TEA-21.

Question 4: Last week, a tragic accident occurred on the Washington Capitol Beltway that resulted in five deaths. The driver of the striking vehicle was reported to have been using a cell phone when she lost control of her vehicle and caused the accident. Substantially more than half of all cell phone calls in the United States are made from motor vehicles, and we believe the incidence of cell phone-related accidents may be vastly underestimated. What is NHTSA doing to improve its data on cell phone-related accidents, and how can the Congress help in that effort?

Answer:

Data are lacking to define the extent and magnitude of driver distraction-related crashes associated with in-vehicle electronic devices such as cell phones. NHTSA is attempting to address this problem by working with States and localities.

For example, NHTSA is encouraging State and local agencies to provide driver distraction and inattention information on their crash report forms. We especially need good quality data on cell phone use and the use of other in-vehicle electronic devices as related to crashes. In particular, we believe that cell phone use in crashes may be underreported. Data collection programs that include this information are essential to our determination of whether driver distraction results from the use of particular technologies.

While it is often difficult for police officers to determine whether a driver was using a cell phone immediately preceding a crash, the crash report forms used by many States do not provide a place for recording this information even when such determinations can be made. This circumstance, in turn, affects the data NHTSA is able to collect. To improve the data recorded on State crash reports, NHTSA sponsors the Model Minimum Uniform Crash Criteria (MMUCC) program. This program encourages the States to develop and implement a standard crash report form that includes contributing factors such as cell phone use as well as other data items important to highway safety. Though the MMUCC program has influenced some States to improve their State crash report forms, many have yet to act in this regard.

RECORD QUESTIONS FOR THE
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION
February 7, 2002 Hearing
Subcommittee on Highways and Transit
Committee on Transportation and Infrastructure
U.S. House of Representatives

QUESTION 1. **Budget**

The President's Budget Proposal recommends the lowest Federal-aid highway obligation limitation since ISTEA. In addition to these deep cuts, an unauthorized $25 million is proposed to be diverted from the highway program for Federal Motor Carrier Safety Administration general operating expenses. Why does FMCSA need this extra money and can the highway program sustain the additional loss:

Answer:

An increase to the authorized takedown level is needed to continue agency operations and program delivery and to meet the resource needs of several programs that are critical to FMCSA's safety goals. FMCSA's current program levels cannot be maintained under the current FY 2003 authorized administrative takedown of 1/3 of one percent--totaling $92.857. It is inadequate to meet FMCSA's base operating expenses, safety program needs, and personnel costs. Moreover, the authorized takedown level cannot fund the program activities mandated in the Motor Carrier Safety Improvement Act of 1999 (MCSIA). These programs include: safety data improvements (MCSIA, Sec. 225), oversight and enforcement initiatives, the State Commercial Driver's License (CDL) Program, staffing the 24-hour telephone safety hotline (MCSIA Sec. 213), and the Research & Technology Program.

In order to ensure motor carrier safety is not compromised, FMCSA has requested an increase to its authorized administrative takedown from 1/3 to 45/100 of one percent, with a total obligation authority level of $117.464 million in FY03. In the President's budget, total highway category obligation limitation will meet Administration priorities for FHWA, NHTSA, and FMCSA.

QUESTION 2. **Hours-of-Service**

In 1995 as part of the NHS Designation Act, Congress provided some relief to certain segments of the trucking industry by allowing certain operators to use a 24-hour off-duty period to "restart" a driver's weekly working time limit. Has your agency monitored these segments of the industry to see what impact this relief has had?

Answer:

We have not monitored the impact of the 24-hour restart. The agency has focused its resources on the study of driver fatigue and alertness in general, rather than the segments covered by the 24-hour restart. We do not foresee opening rulemaking on this aspect in the foreseeable future. Section 356 of the FY02 DOT Appropriations Act provided the sense of Congress that the Secretary of Transportation not take any action that would diminish or revoke an exemption granted by the NHS Designation Act. FMCSA has previously reviewed research reports that suggest that the 24-hour restart is not sufficient for drivers to recover from any sleep debt that may have occurred during the days prior to the restart.

QUESTION 3. **Hours-of-Service**

There has been interest in electronic recorders to record a truck driver's working time. I understand that some carriers are already using these devices voluntarily. Has your agency studied whether these carriers have realized any safety benefits as a result of their use?

Answer:

We attempted to study this issue but the results were inconclusive. Specifically, in October 1996, FHWA's Office of Motor Carriers (our predecessor) gathered information on the electronic recorder (ER) usage and experience within the motor carrier industry. The study was completed in June 1998, but the low response rate of carriers that use ERs and even lower response rates for those that used ERs to track hours-of-service data, made conclusions as to the safety benefits of ER use impossible.

In addition to studying the types of on-board recorders allowed by current regulations, FMCSA is examining the feasibility of allowing motor carriers to use global positioning system (GPS) technology in lieu of hand-written records of duty status to monitor and record drivers hours-of-service. The agency announced a pilot demonstration project under which motor carriers with GPS technology and related safety management computer systems could use such systems in lieu of handwritten records of duty status in the Federal Register on April 6th, 1998. To date, only one motor carrier, Werner Enterprises of Omaha, NE, is participating in the project. Werner entered into an agreement with FHWA's Office of Motor Carriers (our predecessor) on June 10, 1998, authorizing use of their GPS technology to monitor and record driver's hours of service. The pilot is still ongoing. Preliminary results have revealed that while Werner's GPS system offers significant advantages over handwritten driver records of duty status, recordation of driving time may not be as accurate as that produced by a traditional on-board recorder. In terms of safety benefits, Werner's crash rate has declined. However, the reduction in their crash rate cannot be specifically attributed to using GPS technology.

The FMCSA has recently been informed that other large, for-hire motor carriers are interested in pilot testing GPS technology as an alternative to handwritten driver records of duty status.

QUESTION 4. **Hours-of-Service**

It is my understanding that you have hired a contractor to assist you in your analysis work on hours of service issue.

1. When did the contractor begin this work, and when will the contractor give you its final report?

2. What FMCSA action is this work intended to support?

Answer:

FMCSA contracted with ICF Incorporated to conduct a regulatory evaluation of the hours-of-service rulemaking activity. A contract was signed on September 26, 2001. The final report is due no later than one year from the starting date of the contract (September 26, 2002).

This regulatory evaluation will analyze the costs and benefits of several potential HOS options. The action ultimately chosen will depend, among other things, on the results of the evaluation. We have also asked ICF to analyze the small business and environmental impacts of the options.

QUESTION 5(a). **Security**

As you know, the USA PATRIOT ACT was signed into law on October 26, 2001. Sec. 1012 contained a provision which required that states "may not issue to any individual a license to operate motor vehicle transporting in commerce a hazardous material" until background check determines that individual does not pose a security risk. I understand that FMCSA is working on rules to implement this section.

- When do you expect to issue a proposed rule?

  Answer: We expect to issue a rule in the spring.

- How long will these background checks take to be processed?

  Answer: We understand from consultation with the Justice Department that background checks should take no more than a few weeks.

- What will this background check cost and whom is anticipated to bear that cost?

Answer: The driver applicant will pay the initial costs involved of his or her background check. Costs will vary according to whether the applicant is a U.S. Citizen or not. We know that FBI criminal background checks (one of the checks required) cost approximately $25 per person. This would be in addition to the costs of fingerprinting and other data runs.

States will also incur costs associated with data system modifications.

Additional costs will be incurred by the U.S. Department of Transportation in reviewing the applicant's background material and determining if the applicant poses a security risk, as well as the costs involved in transmitting the determination back to the States. The costs of background checks and how they will be funded is currently under discussion in the Department of Transportation.

QUESTION 5(b). **Security**

Other than the regulation to implement the USA Patriot Act, are you working on any proposed regulations aimed at addressing security issues in the motor carrier industry?

Answer:

Yes. Three regulations are under consideration:

- FMCSA is developing an Advance Notice of Public Rulemaking (ANPRM) seeking public comment on the need for additional security requirements during the transportation of selected hazardous materials. FMCSA is also conducting an operational test of security-enhancing equipment. The results of this test could support a rulemaking.

- A regulation is in the early stages of development to require route plans to be carried on vehicles transporting extremely hazardous materials such as explosives, radioactive materials and poison gases.

- A Notice of Proposed Rulemaking (NPRM) is in development to consider elimination of periodic tire inspections for vehicles carrying hazardous materials because of technological advances related to tire fires and because of terrorist concerns associated with numerous stops.

QUESTION 6. **Security**

I understand that there is a fear that multiple jurisdictions will have varying levels of security and differing standards (including site-specific identification cards). Do you foresee a significant problem in this area? If so, what is FMCSA doing to harmonize criminal background checks required of truck drivers and ease the burdens of multiple, potentially duplicative checks?

Answer: FMCSA is aware that this is a subject of serious concern with broad ramification for the entire motor carrier industry. Ports, manufacturing plants, fuel yards, and other entities are instituting their own unique ID requirements. FMCSA understands the complexity of the issue, is aware of its potential for a multitude of security standards, and is considering a broad scheme to address the issue on a National level.

We anticipate that the pending USA Patriot rulemaking will address the issue of duplicative background checks as they might apply to drivers applying for a hazardous endorsement to a commercial driver's license. This should serve to minimize duplicative, burdensome background checks for this specific segment of the industry.

QUESTION 7. **Security**

There has been some conversation about the idea of a transportation identification card. Has FMCSA given any thought to this idea? If so, can you share some of those insights with the Subcommittee?

Answer:

The Secretary of Transportation has formed a credentialing direct action group to examine the feasibility and process for developing and issuing an identification card for all transportation workers as well as other persons who require access to secure areas of transportation facilities. This working group is composed of representatives from the various modes of transportation, including FMCSA. Because our transportation system is so intermodal (air, truck, rail and ship), and so dependent on foreign entities, developing an ID system which contains an acceptable intermodal and international component is an immense task. The team is working to identify the principal attributes that a credentialing system must have to achieve the interoperability necessary to reach across the transportation industries.

To ensure that privacy concerns are addressed, they also are working with the FBI and our transportation industry partners to develop security standards (standard background checks to high-level security checks for hazardous materials transportation) necessary for the issuance of an ID card.

In addition, more work is needed to determine who would bear the development and maintenance costs for the credentialing system.

QUESTION 8. **Household Goods**

With approximately 8,000 problem interstate moves each year, what is FMCSA doing to help consumers?

Answer:

FMCSA is very concerned with the problem of unscrupulous household goods carriers who take advantage of consumers. When Congress terminated the Interstate Commerce Commission in 1996, the legislation directed that the agency's dispute resolution functions were to be discontinued. Consistent with this direction, FMCSA does not become involved in resolving disputes. However, we do operate a consumer affairs hotline to provide consumers with information about regulations governing interstate household goods movers. We also contact carriers who may be violating the regulations. In addition, we investigate carriers that exhibit patterns of noncompliance with Federal household goods regulations and aggressively pursue enforcement actions against them. FMCSA has investigated numerous consumer complaints and many of those investigations have resulted in severe enforcement actions and several criminal prosecutions. To further assist consumers, FMCSA is developing a comprehensive marketing plan to help educate consumers about household goods transactions so that they can make the best choices in selecting and negotiating with a moving company. We are also looking for opportunities to work with States and consumer agencies to increase the level of oversight to better protect the public.

QUESTION 9. **Household Goods**

I understand that the current "hot line" serves the primary role of data collection and a secondary role of consumer assistance. Is that mission adequate? Would more staff help consumers and states deal with problem carriers?

Answer:

FMCSA has a 24-hour toll-free hotline to handle consumer complaints on household goods issues. Full time contractors staff the hotline (one person per eight-hour shift) and answer complaints regarding household goods issues. The contract staff has been trained by FMCSA's household goods enforcement staff to ensure that the people calling in receive appropriate responses. Calls that cannot be handled directly by the contract staff are forwarded to the Consumer Affairs Team for resolution. Currently, the Consumer Affairs Team consists of two full-time employees. In addition, there are five commercial investigators to investigate household goods issues.

QUESTION 10. **Household Goods**

Has any serious consideration been given to the idea of delegating the enforcement duties of federal regulations to the states? If so, what are your thoughts on that issue?

Answer: FMCSA is considering various alternative potential methods to enhance enforcement of household goods regulations. No final determinations have been made on which alternatives should be proposed for adoption.

Additional FMCSA Questions for the Record 2-07-02

COORDINATION ISSUES

QUESTION 1.

In its December 2001 report GAO recommended that DOT develop a coordinated operational plan for ensuring the safe operation of Mexico-domiciled commercial vehicles operating in the United States.

Q.1.a. When will this plan be completed?

> **Answer: We are beyond an operational plan. We now have an implementation plan. In other words, FMCSA is now in a tactical mode of opening the border as opposed to planning. Congressional direction in the FY02 DOT Appropriation Act coupled with the rules we are promulgating and our timeline of actions sufficiently serve as our internal "operational plan".**

Q.1.b . Does DOT plan to publish it?

> Answer: We do not plan to publish an operational plan or our internal implementation plan. We are in the midst of carrying out implementation as specified in the FY02 DOT Appropriations Act, published as P.L. 107-87, December 18, 2001.

Q.1.c. Has DOT set a target date for "opening" the border?

> Answer: The Department believes that the requirements for opening the border as prescribed in Section 350 of DOT's FY02 Appropriations Bill will be met by Summer 2002.

Q.1.d. What specific actions have been taken to respond to this recommendation?

> **Answer: The GAO's recommendations have been overtaken by events. Specifically, Congress in Section 350 of the FY02 DOT Appropriations Act has outlined the actions that must be taken.**

QUESTION 2.

In its December 2001 report, GAO reported a lack of coordination between federal and state safety inspectors working at the border. What actions have been taken to coordinate federal and state inspection activities?

Answer: The FMCSA is working in partnership with the border States to provide the resources, facilities, and inspectors to effectively implement the requirements of Section 350 of the FY02 DOT Appropriations Act and improve the safety of cross-border operations. A major initiative in these efforts is the coordination of Federal and State staffing plans to make certain there is a permanent and consistent enforcement presence at all border truck crossings during all hours that each Customs facility is processing commercial truck traffic and to provide effective enforcement of safety, operating authority, size and weight, and driver license standards and regulations. To ensure ongoing coverage, the FMCSA is establishing agreements with each of the border States outlining State and Federal operational responsibilities at each commercial truck crossing along the border.

FACILITIES

QUESTION 3: How does DOT plan to distribute the FY02 money appropriated for construction of inspection facilities?

Answer: The Department's 2002 Appropriations Act has made $54 million available to the states of California, Arizona, New Mexico, and Texas under the Border Infrastructure Program to build or improve State border inspection facilities and related infrastructure. In addition, $12 million of National Corridor Planning and Development Program funds are being made available to the State of Texas for border safety inspection facilities. Texas, Arizona, and New Mexico have signed model agreements provided by FMCSA indicating an intent to share responsibilities, although details of how the staff will be deployed are still under negotiation.

The FMCSA and FHWA are working cooperatively with the States to develop and prioritize border facility construction and improvement proposals. The application and evaluation process that will be used to administer this program is consistent with the procedures currently established for the National Corridor Planning and Development Program (Sec. 1118) and the Coordinated Border Infrastructure Program (Sec. 1119) grant programs. The funds will be allocated based on needs documented in the State's grant application. A major consideration in the evaluation of the requests is whether the projects are expeditiously implementable and whether they effectively address identified problems and needs along the border. Consistent with the direction provided in the House Conference report [HR 2299], other factors that will be considered in arriving at a final grant amount for each state include the number of commercial vehicles involved in cross-border operations in each State, delays, traffic patterns, and safety problems that exist in each State.

We have established a very aggressive schedule for allocating the funds. All applications must be submitted by April 5, 2002. Our goal is to make final project selections by May 2002.

QUESTION 4: The FY02 DOT Appropriations Act requires that all U.S.-Mexico commercial border crossings have scales for enforcement action.

Q.4.a. How many of border crossings currently have such scales?

Answer: Currently, eight crossings in Texas have static scales: Bridge of the Americas (BOTA) and Ysleta in El Paso; Columbia and World Trade in Laredo; Eagle Pass, Del Rio, Brownsville, and Pharr. In California the following crossings have scales: Otay Mesa and Calexico. In addition, Santa Teresa, NM and Nogales, AZ have scales suitable for weight enforcement. The states are purchasing additional scales so that each facility will have dedicated scales to assist in weight enforcement activities. All crossings will have scales suitable for enforcement before authority is granted to Mexican carriers to operate beyond the border zones.

Q.4.b. In addition, 5 of the highest volume crossings must have weigh-in-motion scales. Which of these crossings currently have such technology?

Answer: Weigh-in-motion scales are currently in place at Otey Mesa, CA; Nogales, AZ; and Bridge of the Americas in El Paso, TX.

Q.4.c. Which crossings do you plan to equip with weigh-in-motion scales prior to allowing Mexican commercial vehicles to operate beyond the commercial zones?

Answer: A total of five of the ten highest volume crossings must be equipped with weigh-in-motion scales prior to allowing Mexican commercial vehicles to operate beyond the border zone. The five are: Otay Mesa, CA; Nogales, AZ; Bridge of the Americas in El Paso, TX; Columbia Solidarity Bridge at Laredo, TX; and Eagle Pass, TX.

Q.4.d. One year from enactment of the FY02 Appropriations Act, all 10 of the highest-volume commercial crossings must have weigh-in-motion scales. At what crossings do you anticipate installing this technology? Where would these scales be placed at ports of entry?

Answer: Initially, five crossings will have weigh-in-motion scales installed, they are: Otay Mesa, CA; Nogales, AZ; Bridge of the Americas in El Paso, TX; Columbia Solidarity Bridge at Laredo, TX; and Eagle Pass, TX. The remaining five will be Calexico, CA; the World Trade Bridge at Laredo, TX; Ysleta Bridge in El Paso, TX; Pharr, TX; and Veterans Bridge, Brownsville, TX. These scales will be placed at State-operated inspection stations near ports of entry.

QUESTION 5: What steps has DOT taken to secure additional inspection space at either federal or state facilities in the four border states?

Answer: To avoid duplication of cost and effort, DOT has been working closely with its State counterparts to enhance inspection sites, taking into account current plans for expansion of State facilities. Texas has identified eight locations for planned facilities and with FY 2002 funding is progressing with their permanent facilities. In the interim, Texas will be opening several temporary inspection stations in the coming months to increase State inspection capabilities. In addition, two additional permanent inspection stations are scheduled to open this year: Nogales, AZ and Santa Teresa, NM. At locations where the State facilities are coming on-line within an acceptable period of time, DOT will not seek additional inspection or out-of-service parking at the Federal ports of entry.

At locations where states are not establishing inspection stations, DOT has identified improvement projects to enhance Federal inspection capabilities on Customs' ports of entry grounds. DOT is aggressively working with GSA and Customs to secure approval for the construction of these projects. In addition, DOT has identified locations where portable buildings will be installed or upgraded as warranted by increased staff and crossing volume. DOT expects the necessary portable building installation to be completed this spring.

In some locations GSA will have to lease land adjacent to the Port of Entry in order to provide for DOT's needs. DOT has identified these locations for GSA. GSA will initiate leasing actions with the local landowners, and DOT will provide site improvement funding.

QUESTION 6. What are the unresolved issues in acquiring this space?

Answer: DOT is anticipating approval from GSA on plans to set up portable buildings and construct inspection bays and out-of-service parking. GSA is working with Customs to finalize the review of improvements at the Ports of Entry (POE). We expect to have appropriate cost estimates and contracts for construction, buildings, and utilities in the near future to accelerate these projects.

QUESTION 7. Have memoranda of understanding with GSA and Customs been finalized for these activities?

Answer: Rather than use memoranda of understanding for our facilities, GSA will develop Occupancy Agreements between GSA and DOT and between GSA and Customs. These agreements will stipulate the facilities assigned to each agency, the term of this assignment, payments to GSA and methodology for revising the Occupancy Agreements. Occupancy agreements are the mechanism GSA uses nationwide to provide an agreement between the tenant agency and themselves. Occupancy agreements have been signed for office space acquired in Brownsville, TX, McAllen, TX, Laredo, TX, El Paso, TX, Calexico, CA, and Otay Mesa, CA.

QUESTION 8. How does DOT plan to work in California (at ports of entry without state inspection facilities and ports of entry with state facilities?

Answer: The FMCSA California Division has been partnering with the California Highway Patrol (CHP) to integrate Federal staff into the CHP's already comprehensive border program. This will ensure there is a permanent and consistent enforcement presence at all border truck crossing during all hours that each Customs facility is processing commercial truck traffic. Federal inspectors will be working at both the U.S. Customs and CHP inspection facilities to provide effective enforcement of safety, operating authority, size and weight, and driver license standards and regulations. An agreement outlining State and Federal operational responsibilities is under development.

The Division is also working with the State to increase the number of enforcement personnel at border crossings. Both state and federal staffing will increase at the Tecate and Calexico border crossings where the CHP does not have permanent facilities or staff available during all hours that Customs facilities process commercial traffic. Weight and safety enforcement will be conducted just outside U.S. Customs facilities until permanent facilities are constructed. The FHWA has $54 million of funds available in fiscal year 2002 to build or improve State border inspection facilities. The FMCSA will work with the Federal Highway Administration (FHWA) on the distribution of these funds, and the local FMCSA Division is working with the CHP and the California Department of Transportation to develop and prioritize border facility construction and improvement proposals.

QUESTION 9. How does DOT plan to work with state officials in Arizona?

Answer: The FMCSA is working with the Arizona Department of Public Safety and Department of Transportation to coordinate Federal and State staffing plans to make certain there is a permanent and consistent enforcement presence at all border truck crossings. Safety enforcement staff will be deployed during all hours that each Customs facility is processing commercial truck traffic and provide effective enforcement of safety, operating authority, size and weight, and driver license standards and regulations. An agreement outlining State and Federal operational responsibilities is under development.

The FMCSA is providing the State additional funding to increase the number of enforcement personnel at the border. The Arizona Department of Transportation will train size and weight inspectors at the two smallest ports, Sasabe and Lukeville, to conduct safety inspections and help provide coverage at the facilities during all hours that the Customs facilities are open to commercial truck traffic. Federal and State inspectors will jointly staff the Nogales border crossing. The State is considering legislation to allow the State to enforce the commercial zone restrictions and FMCSA is encouraging the State to apply for a portion of the additional $54 million made available in fiscal year 2002 to build, improve, and or upgrade State border inspection facilities.

QUESTION 10. How does DOT plan to work with state officials in Texas re: staffing ports of entry? Has a decision been made about whether how Texas ports of entry will be staffed (federal, state or a combination)?

Answer: Consistent with the efforts being undertaken in the other southern border States, the FMCSA is working with the Texas Department of Public Safety (DPS) and the Department of Transportation on staffing issues. FMCSA and DPS officials are coordinating staffing plans to make certain there is a permanent and consistent enforcement presence at all border truck crossing during all hours that each Customs facility is processing commercial truck traffic to ensure effective enforcement of safety, operating authority, size and weight, and driver license standards and regulations. An agreement outlining State and Federal operational responsibilities is under development.

To help meet its enforcement responsibilities, FMCSA has provided the State funding in fiscal year 2002 to hire additional enforcement personnel to expand border enforcement activities and staff temporary inspection facilities under construction. In addition to $12 million Congressionally directed for the State under the National Corridor Planning and Development Program, FMCSA is encouraging the State to apply for a portion of the $54 million made available in fiscal year 2002 in the Border Infrastructure Program to build, improve, or upgrade State border inspection facilities.

QUESTION 11. Will there be sufficient room to park vehicles placed out-of-service at federal ports of entry?

Answer: Yes, we believe there will soon be sufficient room to park out-of-service (OOS) vehicles. DOT has identified where additional OOS parking spaces are needed and has submitted the requirements to GSA and Customs. Federal funding in the amount of $2.3 million has been made available in FY 2002 for improvements on Federal property for such projects as increasing the number of out-of-service spaces. Also, additional OOS vehicle parking will be available at Port of Entry locations where the State facilities will be on-line in the near future. Based on security concerns, FMCSA may revise its OOS protocol at certain locations to possibly include towing OOS vehicles at the owner's expense.

QUESTION 12. Will inspection facilities have lights so that inspections can be done when there is insufficient light?

Answer: The majority of the Customs facilities currently staffed by Federal inspectors have adequate lighting to enable inspectors to conduct inspections when there is insufficient natural light. Appropriate lighting will be installed at the remaining locations prior to opening the border.

QUESTION 13. When will permanent truck safety inspection facilities be completed in Texas? What issues need to be resolved on this issue (securing land, division of responsibility between federal and state authorities, other)?

Answer: Texas has identified eight locations for permanent facilities at Laredo (two crossings), El Paso (two crossings), Brownsville (two crossings), Eagle Pass, and Pharr. According to Texas DOT, all temporary sites except Eagle Pass and both Laredo sites will be operational by June 1, 2002. El Paso should be ready by July 2002, but both Laredo bridges are expected to be tied up in litigation for some time. Permanent inspection facilities at these locations will be operational within three to five years (pending the outcome of litigation).

QUESTION 14. In some communities, there has been opposition to state plans regarding the location of temporary and permanent inspection facilities. Has DOT taken a position on where these facilities should be located (adjacent to the border ports of entry or further away from the border)?

Answer: Safety at the border is best served if inspection facilities are placed as close as possible to ports of entry. Placement close to ports of entry would ensure foreign commercial vehicles cannot avoid weighing and inspection by taking alternative routes.

STAFFING

QUESTION 15. What is the status of hiring federal safety inspectors with FY02 funding? When will these inspectors be ready to work at the southwest border (certified or trained)?

Answer: The Agency has hired or is in the process of hiring 72 of the 84 border inspectors and 34 of the 67 border auditors. Each individual must successfully complete the Training Academy for his/her respective position before assuming duties at the border.

QUESTION 16. What is the status of hiring state safety inspectors with FY02 funding? When will these inspectors be ready to work at the southwest border (certified or trained)?

Answer: Congress provided $18 million in the FY02 DOT Appropriations Act for the four border states to hire, train, equip and deploy additional border inspectors. All funding requests for the states have been met and funds have been allocated to the states, who will begin the hiring process immediately.

QUESTION 17. Has DOT reached agreements with the states regarding where federal and state inspectors will be deployed?

Answer: The FMCSA and southern border State enforcement agencies are coordinating staffing arrangements to ensure there is a permanent and consistent enforcement presence at all border truck crossings during all hours that each Customs facility is processing commercial truck traffic. In addition to providing continuous coverage at each truck crossing, FMCSA will ensure enforcement of safety, operating authority, size and weight,

and driver license standards and regulations is coordinated. Written agreements outlining State and Federal operational responsibilities in each State are being developed.

QUESTION 18. Have you done any projections regarding the number and type of inspections that these inspectors will be able to perform in FY02?

- If so, what do these projections show?
- Does DOT expect that all these inspections will take place at border ports of entry?
- If so, has DOT done any studies to determine if the current and projected facilities and personnel can accommodate these inspections?
- If not, where will these inspections take place?

Answer: In FY 2001 the Federal inspection work force of about 60 inspectors performed 35,411 inspections of U.S. and Mexican carriers (all levels of inspections combined). With the mid-year addition of 80 federal inspectors, we estimate that 45,000 inspections will be done in FY 02. This number accounts for the time the seasoned inspectors will need to devote to the new inspectors for on-the-job training and oversight. This level is a 27% increase over the FY 2001 levels.

We anticipate most of these inspections will occur on the U.S. Customs Service compounds until additional state facilities are ready. Border states have received $18 million in FY 2002 to augment their inspection staff, and 10 state inspection facilities will be coming on line this year. More inspections will be performed at the crossings currently staffed and also commercial cargo crossings where there is no current permanent inspection presence. Facilities with electricity and communication lines are being upgraded and installed so that the federal inspection force will have the proper tools necessary to carry out effective inspections.

QUESTION 19. The FY02 DOT Appropriations Act requires DOT to inspect all Mexican commercial vehicles traveling beyond the commercial zones that do not have a valid CVSA decal.

Q.19.a. How many CVSA Level 1 inspections did federal inspectors perform last year on Mexico-domiciled commercial vehicles? How many CVSA Level 1 inspections were performed by state inspectors?

Answer: In FY 2001, Federal inspectors performed 5,468 Level 1 inspections on Mexican-domiciled vehicles and State inspectors performed 21,156 Level 1 inspections on Mexican-domiciled vehicles. There were a total of 26,624 Level 1 inspections performed by both Federal and State inspectors.

Q.19.b. How many CVSA decals were awarded as a result of these inspections?

Answer: In FY 2001, there were 5,913 Mexico-domiciled commercial vehicles that were awarded CVSA decals at the time they were inspected.

Q.19.c. Given the fact that these decals must be renewed every 90 days, how many CVSA Level 1 inspections do you estimate will be required to meet the requirements of the Act in FY02…in FY03…in FY04?

Answer: The number of inspectors will depend upon the actual number of carriers that will apply for authority to operate beyond the commercial zones authority (we estimate that about 5,770 carriers will apply for long-haul authority in CY 2002) and on the number of vehicles these carriers will be using in cross border operations. The FMCSA is increasing its inspection coverage by 130% in FY 2002 along with a potential doubling of State staff. Based on the increase of Federal and targeted State inspection staff, we estimate that over 60,000 inspections could be performed in FY 2003.

Q.19.d. Has DOT estimated how many federal and state inspectors will be necessary to do these inspections?

Answer: The FMCSA will be increasing its inspection staff by 130% in FY02 and the border states received $18 million this year, allowing for a potentially doubling of their inspection work force. This increased inspection work force will be adequate to do the additional inspections.

Q.19.e. Does DOT have any concerns about the possibility that U.S. inspectors may be asked to honor CVSA inspection decals issued by Mexican authorities?

Answer: Mexican vehicles displaying a valid decal issued by Mexico will be recognized the same as the decals issued by the States or Canada. Only certified inspectors are authorized to issue CVSA decals. Mexican inspectors are all certified to perform inspections according to uniform International standards.

TECHNOLOGY

QUESTION 20. The FY02 DOT Appropriations Act requires federal and state inspectors to verify electronically the status and validity of the license of each Mexican driver crossing the border carrying hazardous materials, and at least 50 percent of other drivers traveling beyond the commercial zones.

Q.20.a. Have you done any estimates on how many Mexican driver's licenses will have to be verified as a result of this provision?

Answer: Mexican carriers will be required to provide information on licensed drivers as part of the application process, and FMCSA will verify that drivers have a valid Mexican commercial drivers license as a precondition for granting authority. This information will help us make estimates of the number of licenses that must be checked.

Q.20.b. At how many commercial ports of entry do DOT inspectors currently have the ability (i.e. staff, computers, database connections) to electronically verify the status and validity of Mexican drivers' licenses?

Answer: All Federal border inspectors are equipped with computers. Currently, 14 of the 25 commercial truck crossings have the capability for on-line database connections. Communication capabilities at the remaining sites are being upgraded to include the electrical and telephone connections to facilitate on-line access of safety and driver license databases. All 25 border commercial truck crossings will be staffed with federal or state inspectors during all hours that the Customs facilities are open to commercial truck traffic and they will have the capability to electronically validate each license prior to allowing Mexican commercial motor vehicles to operate beyond the commercial zones. In addition, we intend to pilot test the use of personal digital assistants to quickly and effectively check the validity of a Mexican commercial driver's license.

Q.20.c. How many Mexican commercial drivers licenses were electronically verified in FY01? ... to date in FY02? What was the result of these checks?

Answer: In fiscal year 2001, 33,051 Mexican licenses were electronically verified. Of these, 24,074, or 73 percent, of the licenses were found to be valid. From October 2001 to January 2002, 14,790 checks were made. Of these, 12,344, or 83 percent, were found to be valid.

FINALIZING RULES

QUESTION 21. Prior to allowing Mexican commercial vehicles to travel beyond the commercial zones, DOT must finalize its interim rules published May 3, 2001. These rules will revise regulations and application forms for Mexican commercial motor carriers entering the United States as well as develop a safety monitoring system and compliance initiative for these carriers.

Q.21.a. When will these rules be finalized?

Answer: The Department published these regulations on March 19, 2002.

Q.21.b. What revisions do you anticipate making to the interim rules before finalizing them?

Answer: We are responding to all substantive public comments on the May 2001 proposals. The rules have also been revised to reflect the requirements found in the FY02 DOT Appropriations Act.

Q.21.c. How many Mexican commercial motor carriers do you expect to apply for authority to operate in the commercial zones under these rules in FY02?...in FY03?...in FY04? How many Mexican commercial motor carriers do you expect to apply for authority to operate beyond the commercial zones under these rules in FY02?...in FY03?...in FY04?

Answer: See the following table. Data are for calendar years, rather than fiscal years.

Mexican Carriers Applying for Authority

Year	Commercial Zone	Long-Haul
2002	5,091*	5,774
2003	341	1024
2004	341	1024

*Assume 4,750 carriers with authority now have commercial zone (CZ) authority (which is half the 9,500 carriers who currently have authority); assume 341 new carriers with CZ authority (which is 25% of the 1,365 new carriers who get authority).

Q.21.d. What outreach efforts do you plan to undertake in order to educate Mexican commercial motor carriers about these rules? Will these sessions be conducted in Spanish?

Answer: The FMCSA has conducted safety seminars in Spanish for Mexican motor carriers at strategic locations along the Southern border. They include:

- August 29 El Paso, TX
- September 25 Brownsville, TX
- September 27 McAllen, TX
- November 27 San Diego, CA
- December 6 Laredo, TX
- February 5 Nogales, AZ
- February 26 Laredo, TX

In addition, we are working out the logistics of conducting additional safety seminars in the interior of Mexico. These would also be conducted in Spanish, in partnership with the Mexican authorities.

FMCSA has translated into Spanish a number of educational publications, including A Motor Carrier's Guide to Improving Highway Safety, and has developed a Spanish web site (http://www.fmcsa.dot.gov/spanish/) to educate Mexican carriers about the safety and economic requirements for operating in the United States.

Q.21.e. Will DOT's "NAFTA Land Transportation Information Conference," initially scheduled for October 2001, be rescheduled?

Answer: DOT's "NAFTA Land Transportation Information Conference" has been rescheduled for May 29 – 31, 2002. It will be held at the Westin Hotel, in San Antonio, Texas.

Q.21.f. When will interim final regulations pursuant to Section 350(a)(10) of the FY02 DOT Appropriations Act be published?

Answer: The regulation required by Section 350(a)(10)(A) will be published before the opening of the border as required by Congress. The regulation required by Section 350(a)(10)(B) was published on March 19, 2002.

HOURS OF SERVICE

QUESTION 22. I understand that you are having ICF Consulting do some work on hours-of-service issues. What exactly are you having them examine?

Answer: ICF is preparing a regulatory evaluation and regulatory flexibility analysis for the hours of service proposal. This regulatory evaluation will analyze the costs and benefits of several HOS options, including recommendations contained in comments to the docket. The action ultimately chosen will depend, among other things, on the results of the evaluation. We have also asked ICF to analyze the small business and environmental impacts of the options.

USA PATRIOT ACT

QUESTION 23. Section 1012 of the USA Patriot Act requires that background security checks be conducted on commercial drivers who seek authority to transport hazardous materials when applying for, or renewing, their licenses. When can we expect to see Section 1012 implemented?

Answer: We expect to issue a rule in the spring.

QUESTION 24. Security checks should be conducted on all drivers transporting hazardous materials in the United States, including drivers from other countries such as Canada and Mexico. How will the Department's regulation address the need for reciprocal arrangements with Canada and Mexico?

Answer: The requirements of Section 1012 apply to all domestic and foreign drivers transporting hazardous materials in a commercial motor vehicle within the United States. DOT has initiated discussions with Mexico and Canada to ensure that their drivers who transport hazardous materials within the United States undergo a comparable security risk review. DOT intends to sign formal agreements with Canadian and Mexican authorities to ensure that their drivers transporting hazardous materials in the United States are treated similarly.

QUESTION 25. The USA Patriot Act requires State DMVs to initiate security checks at the time of license issuance or renewal. Other legislative proposals have been circulated that would require employers to initiate background checks before a driver is hired, and would leave it to employers to make a determination whether to hire the driver based upon federally mandated criteria. Are you aware of these proposals, and if so, how

would you judge their effectiveness as a substitute for Section 1012 of the USA Patriot Act?

Answer: FMCSA is generally aware of proposals to require employers to conduct security background checks before hiring drivers. A key concern with such proposals is ensuring that as many as 500,000 motor carrier companies are in compliance with the requirement to perform the checks on any given day. Requiring background checks through state licensing processes provides substantially greater assurance that checks are consistently conducted and that Federal security and personal privacy criteria are met.

Nevertheless, motor carrier companies do have legitimate business, safety, and security interests in having access to criminal background information in making decisions about hiring drivers.

OVER-THE-ROAD BUS SECURITY

QUESTION 26. What is the Department's view of the need for enhanced security in the over-the-road bus industry? Has the Department taken a position on the bill, H.R. 3429, the Over the Road Bus Security Act of 2001?

Answer: FMCSA has met with motorcoach industry leaders to evaluate security issues. From these meetings, it is clear that security enhancements for over-the-road bus operations are needed. FMCSA is looking at all options. A threat/vulnerability assessment of this industry should be conducted. A large body of research exists related to transit operations, but there is little related to intercity motorcoach operations. We plan to move forward on this assessment and work with the industry in this endeavor. The Department has not taken a position on H.R. 3429.

REMARKS OF U.S. REP. NICK J. RAHALL, II
HEARING on ADMINISTRATIVE PERSPECTIVES to REAUTHORIZE TEA-21
SUBCOMMITTEE on HIGHWAYS and TRANSIT
FEBRUARY 7, 2002
10:00 am, 2167 RAYBURN

Thank you, Chairman Petri and Ranking Member Borski for holding this hearing today. While I look forward to hearing the testimony from Administration witnesses, I must begin by saying that I am deeply concerned about the effects of the $8.5 billion cut in highway funds in the Administration's budget proposal.

Although the Administration submitted its budget proposal based on Revenue Aligned Budget Authority, according to the terms of TEA 21, none of us could have foreseen that, as fiscal year 2001 was nearing an end, we would experience the terrorist attacks of September 11th.

Not only did we see a tragic loss of thousands of lives due to an incomprehensible crime, but our entire economy came to an abrupt halt. In the aftermath, this Committee had to write legislation to stabilize the airlines and to beef up airport security in an unprecedented manner.

When the Administration submitted its budget request, I believe they should have taken into account the effects of September 11th, and the recession, and should have submitted a budget request at least equal to fiscal year 2002 levels.

At a time when we all are working to overcome the recession and stimulate the economy, federal highway funding should not be reduced.

If the $8.5 billion cut would actually takes place, we would lose at least 340,000 jobs nationwide, and over 3,000 jobs in West Virginia. We cannot allow that.

Those job losses will have a ripple effect - highway construction workers will be laid off, but businesses and suppliers to the highway construction industry will also be hurt. That will place an added hardship on families who contribute to the tax base on the local, state and national levels. We cannot allow that.

All 50 state Departments of Transportation rely on the federal dollars they receive each year to plan and schedule highway construction projects.

If the Administration's budget passes with this $8.5 billion cut, then each state will have to postpone, or maybe even cancel, road projects, because each state will lose million of federal dollars. West Virginia alone will lose $73.2 million. We cannot allow that.

So I am pleased to work with my colleagues on this Committee, in a bi-partisan manner, to introduce legislation to offset the reductions in highway spending that the Administration has proposed.

I have always appreciated the bi-partisan nature of this Committee and the Department of Transportation. We all like to say there are no Republican or Democratic highways. So I hope the Administration will work with us to restore the funding levels for the highway program.

Thank you, Mr. Chairman.

Rep. Tauscher's Statement before the Subcommittee on Highways and Transit Hearing on TEA-21 Reauthorization February 7, 2002

Chairman Petri and Ranking Member Borski, thank you for holding this important hearing today and inviting such a distinguished panel to kick-off our committee's road to reauthorization.

I would like to join my colleagues in welcoming all of you to your new posts and before this committee today.

I look forward to working with each of you to ensure that our shared constituents receive quality services from the Department of Transportation and are traveling on the safest transportation systems on the planet.

My statement will be brief, as I am anxious to hear from the panel.

But I do want to register my concern regarding the Administration's highway budget and second what my colleagues have already mentioned about the negative RABA situation facing our states.

Under the current budget, my home state of California would be hit the hardest, loosing $618 million in highway funding next year, which translates into about 26,000 jobs.

This is unacceptable, especially during a recession and when California families are spending more time sitting in traffic than with each other at the dinner table.

I want to thank the bipartisan leadership of this committee for committing to fix much of this problem through legislation that I hope will be welcomed with open arms by the President.

I look forward to working with Administrator Peters and the Administration to ensure that highway projects in California and around the country are not interrupted.

Finally, I just want to mention that my colleague Mike Rogers of Michigan and I are putting together a Congressional Caucus on Intelligent Transportation Systems that I hope will be useful to Members as we start the reauthorization process.

ITS technologies are one of TEA-21's success stories and we hope to work with Administrator Peters and this committee to highlight the many uses for ITS technologies.

From making transit and highway systems more user friendly to enhancing security and safety at our airports and seaports, ITS technologies can and should be the solutions to many of our transportation challenges.

Thank you, Mr. Chairman and Ranking Member for holding this hearing.

I look forward to the panel's testimony and yield back my time.

Congressman John Thune

STATEMENT
Subcommittee on Highways and Transit
Thursday, February 7, 2002

Mr. Chairman, I want to thank you for holding the first hearing of many this year to review the performance of the Transportation Equity Act for the 21st Century in preparation for its re-authorization next year. I also want to welcome the new Administrators of the Federal Highway Administration (FHA), Federal Transit Administration (FTA), National Highway Safety Administration (NHSA), and the Federal Motor Carrier Safety Administration (FMCSA).

Mr. Chairman, construction of South Dakota's interstate highway system was completed by the late 1960s, making it one of the oldest in the nation. (Reasons: rural state, low population, right-of-ways secured quickly)

Since the passage of TEA-21 in 1998, highway building activity has increased by 50%, while administrative costs have remained level. It also means more money is being spent on the projects and communities it was meant for. This means better, safer roads for my constituents in South Dakota. There is no doubt that TEA-21 has improved the quality of interstate highways and transit systems around the country. In addition, TEA-21 dollars have translated into thousands of jobs, and are an enormous boost to the overall economy of South Dakota and our nation.

TEA-21 has been a big success in South Dakota, and that's why I am concerned about the recently announced budget shortfall for highway spending in FY 2003. It is estimated that this cut will represent a loss of approximately $50 million in FY 2003 highway funding for my state. Yesterday, constituents told me that over 2,000 jobs may be lost due to the current projected shortfall. With South Dakota's economy already struggling, losing additional jobs will be devastating. At the national level, I am afraid that this loss of funding and jobs will only prolong our nation's economic recovery.

The South Dakota Department of Transportation and the private sector have been doing their job to plan responsibly for future transportation reconstruction and improvements. These critical needs in my state have not

gone away and a shortfall of this magnitude in the Highway Trust Fund will be devastating to South Dakota.

I don't want to overshadow the fact that Congress is facing many pressing budget needs this year. No one could have predicted the challenges facing America today. Our nation's war against terrorism demands that we allocate sufficient resources for our men and women in uniform. We also must improve homeland security, including the safety of America's transportation infrastructure.

Mr. Chairman, my state cannot afford to loose any more jobs. That is why I am a cosponsor of Chairman Young's "Highway Funding Restoration Act." It is my hope that Congress will pass this bill, spend a few dollars from the Highway Trust Fund and avert a potential hit to the nation's economy. I look forward to the Administrators' testimonies and look forward to working with my colleagues on this Committee to continue the success of TEA-21.

PERSPECTIVES OF GOVERNORS AND LOCAL ELECTED OFFICIALS ON REAUTHORIZATION OF TEA 21

Thursday, February 28, 2002

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON HIGHWAYS AND TRANSIT, WASHINGTON, D.C.

The committee met, pursuant to call, at 10:02 a.m. in room 2167, Rayburn House Office Building, Hon. Thomas E. Petri [chairman of the subcommittee] presiding.

Mr. PETRI. We are meeting this morning to hear from the leaders of our States, cities, and counties regarding their perspectives on the reauthorization of the Transportation Equity Act for the 21st Century, or TEA–21.

I am very happy to see our friend, the Governor of the Commonwealth of Kentucky, here again before this committee. We are looking forward to your testimony in your capacity as Vice-Chairman of the National Governors Association. The Governor was part of a delegation of governors that met with President Bush on Monday afternoon to speak out in support of this committee's proposal to support cuts in the Federal Aid Highway Program. That is certainly an important initiative.

The proposed restoration of at least $4.4 billion in highway funds to TEA–21 baseline levels is a critical step in both short-term and long-term efforts to meet our Nation's transportation needs. And I say "at least" because I think the prospects are looking increasingly bright on the Senate side and hopefully we can march with them in doing somewhat better than that. Hopefully, a lot better than that. In the short-term, we will save a minimum of 180,000 jobs supported by Federal highway funds. Tens of thousands of additional jobs will be saved with State and local matching funds.

In the long-term, the restoration insures that a higher baseline is used to estimate future highway expenditures when TEA–21 expires. Higher baseline numbers must be consistent with the actual receipts in the highway trust fund. If artificially low funding levels were assumed to be the baseline going into the reauthorization, huge balances would build up in the highway trust fund. This would occur while our roads, bridges and transit systems deteriorate.

Although we made progress with TEA–21, the Department of Transportation reports that all levels of government are not spending enough even to maintain the current system. We are only providing 57 percent of the funds necessary to fund needed improvements. Clearly, this is not the right time to cut our investment in surface transportation infrastructure.

Our second panel will consist of witnesses from cities and counties across our Nation. Earlier this week, I received a letter of endorsement for our bill signed by the National Association of Counties, the National League of Cities, the U.S. Conference of Mayors, the American Public Works Association, the Association of Metro-

politan Planning Organizations, the National Association of County Engineers, the National Association of Development Organizations, and the National Association of Regional Councils. All of the witnesses on the second panel are members of one or more of these organizations.

The support among Members of Congress for the Highway Funding Restoration Act is now overwhelming. We have 265 cosponsors in the House and every day we add more. The bipartisan leadership of the Senate Budget Committee has now issued statements in support of restoring highway funding in the budget, as I indicated earlier. We are meeting with the House Budget Committee and hope to have their official support for restoration of highway funding very soon.

We appreciate the support from all the witnesses here today for our efforts to increase highway funding and know that you will do your part to ensure that State and local funds are made available to meet matching requirements. This is but the first step in a long series of battles this committee will take on to ensure the long-term strength of the Federal highway and transit programs and highway and motor carrier safety programs.

Overall, TEA–21 has been a tremendous success. We would like to duplicate that success and strengthen the provisions that are most helpful in meeting our Nation's needs. These include budgetary firewall protections that guarantee minimum levels of annual spending, holding the highway trust fund harmless while encouraging production of alternative fuels, equitable funding among the States through the minimum guarantee, flexibility in the eligible uses of formula funds, community-based transit programs, and expedited projects and services delivery.

The committee addressed these issues in TEA–21, but in many cases improvements can be made in the reauthorization. I am very interested in each of the witnesses' views of these issues and look forward to hearing what we can do to strengthen our surface transportation programs through the reauthorization of TEA–21.

At this time, I yield to the Ranking Democrat on the subcommittee, my colleague, Bob Borski.

Mr. BORSKI. Thank you, Mr. Chairman.

I first want to commend you on your efforts to continue to move forward with the reauthorization of the surface transportation programs. Today's hearing will provide the committee with an opportunity to hear from State and local government officials on the successes, as well as shortcomings, of the surface transportation programs. TEA–21 has been considered an overwhelming success by many State and local government officials. However, that success is in jeopardy, threatened by a proposed reduction of $8.6 billion in funding for fiscal year 2003.

The Administration's budget proposal for fiscal year 2003 provides $23.2 billion in obligation authority, a 29 percent reduction below fiscal year 2002. Such a dramatic reduction in highway spending during a recession will have a devastating effect on the Nation's economy. The loss of funds will translate into a loss of approximately 350,000 transportation-related jobs.

Along with the leadership of the committee and virtually all of its members, I have cosponsored H.R. 3694, the Highway Funding

Restoration Act, to restore as much of the reduction as possible. This interim legislative proposal will help restore faith and trust in the program and the funding levels authorized in TEA–21. H.R. 3694 will also establish a baseline for reauthorization of the surface transportation programs. Without a financially stable baseline for reauthorization of surface transportation programs, the committee will be faced with a baseline at pre-TEA–21 levels.

Mr. Chairman, I will continue to work with you, other members of the committee, and others to advance the principles embodied in H.R. 3694 so that the reauthorization of surface transportation programs start on a sound financial footing. As the committee continues to advance the reauthorization process, we must reaffirm our commitment to rebuilding America by providing a balanced investment in our Nation's highways, transit systems, and intermodal facilities. More importantly—or just as important—we must do so in a fiscally responsible manner.

The guaranteed Federal funding levels for the surface transportation programs must be continued and keyed to the receipts of the highway trust fund. A modification to provisions will enhance funding stability for the highway program in future years. Working in partnership with State and local government officials, we want to preserve and strengthen the policies and principles embodied in TEA–21. Much of the success of TEA–21 may be attributed to the flexibility, intermodalism, enhanced safety, livability, and preservation principles embodied in the statute.

Mr. Chairman, I look forward to receiving the views and recommendations from today's witnesses as we seek to improve the Nation's surface transportation programs.

Mr. PETRI. Thank you.

A statement by the Chairman of the full Committee, Don Young, will be submitted, as well as from Congressman Oberstar, although he may be here in a few moments.

Are there other members of the subcommittee who wish to make opening statements?

Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman.

I thank you, Chairman Petri and Ranking Member Borski, for holding today's hearing. I appreciate our first witness, a governor from a neighboring State to my State, West Virginia, the governor of Kentucky, Governor Patton, and other local officials that are with us today. Each of you has the hands-on experience of putting Federal highway money to use once it is allocated to the States. I commend you for that experience and professionalism.

I also want to thank all of our witnesses today for supporting H.R. 3694, referred to by both the Chairman and the Ranking Member, the bipartisan Highway Funding Restoration Act. Your support shows your willingness to work with this committee on this very critical issue.

Through this bill, we are working to prevent 340,000 job losses and delays in highway projects that the proposed $8.5 billion budget cut could cause in all 50 States. As of today, we have 265 bipartisan cosponsors. I encourage our witnesses to talk with their particular members of the House of Representatives who have not yet signed on and ask them to cosponsor.

As we look at how we can continue to improve TEA–21, I want to note that research does play a vital role in how we can best provide highway and transit services. I was proud that TEA–21 authorized $158.8 million in transportation research funds and $36 million in transit funds for university transportation centers in all ten regions of the Nation. Particularly, at Marshall University in Huntington, West Virginia, we were able to start the Rahall Appalachian Transportation Institute with TEA–21 funds. My vision statement for the institute is building jobs through transportation.

Not only is the institute working to create jobs through research projects that will enhance our transportation infrastructure, but since it began operating in 1981, the institute has conducted research in highway safety, environmental streamlining, ITS, using advanced technology to improve signage, railroad and truck intermodal transportation, and critical personal safety issues such as drowsy driving. And I could go on. But these centers are certainly educating tomorrow's transportation experts, and that is a very important and vital success story of TEA–21.

I thank you, Mr. Chairman, and look forward to hearing the witnesses today.

Mr. PETRI. Thank you.

Any other opening statements?

I think we will call Mr. Clement to make a statement and to introduce the witness.

Mr. CLEMENT. Thank you very much, Mr. Chairman.

Mr. Chairman and Ranking Member Borski, it is my pleasure to join you in welcoming Governor Patton from my neighboring State of Kentucky, and several distinguished local government officials we have with us from across the Nation.

Today we continue the initial process of reauthorizing what many have called one of our greatest legislative successes, TEA–21. The Transportation Equity Act for the 21st Century stands as a shining victory for this subcommittee and for the American people.

While I am sure that our witnesses share this view, I want to hear from you, Governor Patton and others, on how we can improve the bill, making a great piece of legislation even greater. For instance, I am interested to know if there is a need for changes to the TEA–21 formula system that would protect against the gross fluctuations in highway funding levels we see projected for 2003, and which prompted this committee to introduce H.R. 3694. Clearly, any change must not compromise the essential principle that tax and user fee revenue be the major factor in determining highway funding levels. But we need to avoid the kind of funding cuts offered by the President in his 2003 budget if we are to maintain and expand our transportation infrastructure.

I am also concerned with the FTA's decision to shift new start local State match requirements to a 50 percent share and if this puts some communities' transit initiatives at a disadvantage compared to highway programs. Additionally, the States need even more flexibility to direct their funds to the projects that are most important within their communities.

As we look to reauthorization, I know this subcommittee will work diligently together to protect the gains we have made thus far and to continue us on the path we have started. Now, more than

ever, our need for a true multimodal transportation system is clear, for our economy, our defense, and our way of life. TEA–21 is the vehicle to get us there, and I remain committed to strengthening it and our Nation.

And I might say, Governor Patton, you have been a good governor and a very effective governor. I am looking forward to hearing what you have to say. I know I have been working with your people on passenger rail, moving Amtrak from where we have it all the way down to Louisville and bringing it into Nashville. As you know, it comes into Louisville at 7:30 in the morning and that Amtrak equipment just sits there all day until 9:30 at night, where you can run it all the way down to Nashville and make it more profitable for Amtrak. We would have more riderships on the Kentucky Cardinal Line, which I know is important to you and me.

But I also want to mention the high-speed corridor. We really have an opportunity there for Kentucky and Tennessee, out of Chicago and all that. We need to look at that very seriously. I sure hope the State of Kentucky will participate at a level, and I know Tennessee will as well, because we could very well run those high-speed corridors right down the interstate highways, down the median where we have those rights-of-way and where we wouldn't have a heavy expense when it comes to grade crossings. I know you know how expensive those railroad crossings are.

We have some real opportunities on this high-speed corridor. I sure hope you and your fine staff will look at it very seriously.

Governor Patton, it is good to have you here.

Mr. PETRI. Thank you.

Representative Kelly, do you have a statement to make?

Mrs. KELLY. Thank you, Mr. Chairman.

Governor Patton, on behalf of the Kentucky branch of my family, I do welcome you also.

I want to thank you, Mr. Chairman and the witnesses. Our hearing today is not just useful in helping us prepare for TEA–21 reauthorization, but it brings to attention the issue that is even more pressing to all of us, and that is the effect of the proposed budget reduction on Federal highway aid for this next fiscal year.

Solid, predictable funding streams for transportation enable our State and local governments to implement far-sighted transportation policies that best suit the needs of our own communities. Stability is what TEA–21 is all about. It is what we have to provide.

I think with the proposed budget cuts that have come up recently, we have already seen that there are some problems that have been created when the certainty of Federal assistance is jeopardized. So I feel we need to build on the successes of TEA–21. I thank you all for being here to testify. I look forward to your testimony, but I wanted to put on record that I feel very strongly that we need to give our States a sense that they can plan for a solid stream of money coming from the Federal Government. That is a job we all pledged to do, and we need to do it.

I yield back.

Mr. PETRI. Thank you.

Are there other opening statements?

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

TEA–21 and the Federal highway transit programs it authorizes are extremely important for our Nation's urban areas. This legislation has proven to be the backbone of funding for the many transit systems that are sometimes the lifeblood of communities. In many depressed areas, like those found in my district in Baltimore, programs authorized under TEA–21 have provided funding for various community-related initiatives. One such program, the Job Access and Reverse Commute Program has proven invaluable to many urban residents. The program helps to provide transportation options for inner city residents who may not have reliable transportation that would give them access to suburban jobs.

In other words, people seeking viable employment are no longer limited to available inner city jobs, which are often scarce. With the Job Access and Reverse Commute Program, they have the flexibility to commute to surrounding areas. This is a case of Federal transportation programs working to promote economic development, but more importantly, the programs help people to improve their lives and their neighborhood.

While I am on the subject of access, I would be more than remiss if I did not mention the Maryland Rail Commuter Program, MARC, trains that provide a viable alternative to driving while at the same time help reduce congestion for commuters traveling from Baltimore to Washington. Riding a MARC train definitely has its advantages. While most motorists face a daily battle against gridlock and difficult driving decisions, the most difficult decision a MARC commuter is likely to face is which section of the paper they should read first.

Another program that has played a critical role in the economic development of Baltimore City is the Enhancement Program. We are very proud of our pedestrian promenades along the waterfront. We have TEA–21 funds to thank for those improvements.

Mr. Chairman, TEA–21 improved the spirit of ISTEA by requiring that governments and citizens stay involved in the transportation planning process. It then took this involvement and commitment to another level by requiring that industry participate as a major stakeholder in the metropolitan planning process, a process that before had almost solely involved local and State government.

Maryland has a remarkable experience working with local governments in monitoring and controlling traffic congestion. TEA–21 afforded the State the opportunity to work with its local universities, such as Morgan State University, to cooperatively develop technology solutions to address challenges such as electronic screening of motor carriers for safety inspections.

Finally, Mr. Chairman, while I sing the praises of TEA–21, I must note that during the reauthorization process I would like for us to look at the problem of congestion and the ever-growing need for improved transit services in our cities and counties. I also realize that with reauthorization we face serious concerns regarding funding for safety and new security measures, while simultaneously funding additional transportation needs.

So, as I have said before, I applaud TEA–21, but it is by no means perfect. Mr. Chairman, the State of Maryland has many success stories that I could report on. I could go on and on, but I

will not. Mr. Chairman, thank you very much for holding this hearing today. I look forward to hearing from our witnesses.

Mr. PETRI. Thank you.

Mr. Otter?

Mr. OTTER. Thank you, Mr. Chairman.

I am going to submit my opening statement for the record, but inasmuch as most of the opening statements have not touched on an issue that I would like to elicit a response from our panels today, and that is the $14 billion—and we are talking about $8.6 billion that is not in the next appropriation—but about the $14 billion nationwide that is tied up in studies so that construction cannot go forward. So it makes precious little sense to me, although I am an enthusiastic champion of putting that $8.6 billion—or as much of that $8.6 billion as we can through House Bill 3694—back in the program, I am still concerned that one of the great magics that we were going to work with TEA–21 has not been realized. We have spent a lot of money, as was intended in the authorization. But one thing that we have not done is streamline the effects of going forward with construction.

So it would be my hope—we heard in this committee that there is $14 billion nationwide. In my State of Idaho, we know that there is $58 million that is presently being tied up waiting for some additional government agency to give their permit to go forward. And although I realize that these are important, I think that the streamlining aspect of TEA–21 has not been realized. I would hope that this committee would be as enthusiastic about the streamlining aspects and the streamlining promise of TEA–21 as we are now about getting the $8.6 billion back.

It makes precious little sense to me to appropriate the money and then not be able to spend it. If we really want economic recovery, if we really want to put some enthusiasm into our economy—we have $14 billion that is already spent laying in the bank waiting to be exercised, yet we have some agency somewhere holding up laying the asphalt and getting on with the process.

Mr. Chairman and Ranking Member, I very much appreciate this hearing today. I would elicit responses from our panels today relative to how much time it takes to get a project going forward.

Thank you, Mr. Chairman. I yield back.

Mr. PETRI. Thank you.

Any other statements?

Mr. PETRI. Governor, thank you very much. If you have a chance, we would like you to express your appreciation to the 45 or 46 colleagues of yours who have joined in a letter endorsing the increase in maintenance of funding for our Nation's highways. We appreciate that and look forward to your statement, sir.

TESTIMONY OF HON. PAUL E. PATTON, GOVERNOR, REPRESENTING THE COMMONWEALTH OF KENTUCKY, AND THE NATIONAL GOVERNORS ASSOCIATION

Governor PATTON. Thank you, Mr. Chairman, Ranking Member Borski, and other members of the committee. I appreciate the opportunity to appear before you representing the National Governors Association, where I serve as Vice-Chair. As you have noted,

I am backed up by a letter from the governors of 44 States and two territories that endorse the proposal.

With your permission, I would like to summarize my written remarks and perhaps we can have a meaningful discussion.

Roads are us. Roads are me. I am a road man, an engineer by education, a businessman by profession, a person that knows how to build roads, a person that has hauled millions of tons of coal to market on roads, and a person that has shared the grief of family and friends who have lost their lives on dangerous roads in the mountain with which Congressman Rahall is very familiar.

I am from an area of the Nation that needs roads very badly, Appalachia. Only because of the Federal Government's support through the Appalachian Development Corridor does that part of our Nation even have a chance to participate in the prosperity that is modern America.

I appreciate very much the opportunity to talk with you. I think I speak from a standpoint of knowledge and passion. I was fortunate enough 22 years ago to be able to retire from business and got into public service because of my devotion to roads, serving as the deputy secretary of the Kentucky Transportation Cabinet. As a county executive for ten years, roads were my primary focus. Even as governor, I find that one of my prime responsibilities is to make sure that our road program is working effectively and to address the concerns of citizens and businesses that need roads in their daily life.

One of the most common opportunities I have to discuss with business people in my State is roads. I have business people come to me and say, "Governor, I control almost all of my business. I control the work force. I buy the equipment. I control the property. But the roads are an integral part of my business, and I don't control them. And when I am involved in a traffic tie-up, it is making my business less efficient." We do everything that we can to try to address the specific needs of specific businesses that have particular problems that are making their business more inefficient. And we make an extra effort to do that. But I also have citizens that have similar problems that perhaps are even more dramatic because they do involve the safety of their family and their children.

So this is an important issue. It is an appropriate role for the Federal Government. We certainly look forward to working with you and this committee on the reauthorization of TEA–21.

This morning, I would like to speak more specifically to the funding level for this next year. I would acknowledge that from what I understand about the situation, this would be this $23 billion level of expenditure would be what would be calculated as the result of RABA in the TEA–21 law. As I say in my statement, a proper reply to a governor might be, "Well, that is what you asked for, that is what you have, now live with it." And if governors were the only ones that were affected, that might be very appropriate. But governors are not the ones that are affected: it is businesses and people that are affected.

So I strongly support your proposal for a minimum of $4.4 billion additional appropriation to what I understand is a formula calculation, but let us urge you to maintain the level of spending at the current level of about $31.6 billion for the next fiscal year. Then

as we go into reauthorization of the surface transportation programs, let's try to maintain a system that adds more stability to the program.

As you may recall, I was very much involved with Governor Schaefer of Nebraska talking about the reauthorization of TEA–21 some 5 years ago. At the time, I think we had a couple of objectives. One was to get all of the highway trust fund money spent on highways. Our goal that year was not only to get the recurring monies spent on highways, but also to get the reserve spent on highways. My understanding is that in previous years, when all of the money was not spent, there accumulated a balance of $19 billion or $20 billion that we attempted, at that time, to get spent over a period of years. We were not successful, but we were successful in getting the committee to be able to spend all current revenue.

This is an excellent time to begin to work down some of what I understand to be an unappropriated balance in the highway trust fund. Our request would be a full maintenance of funding, which I think would require an additional $8.6 billion or so.

Maintaining that continuity of expenditure was also a very important part of our goal 5 years ago and remains so. I would say that for another reason, for the maintenance of the effort of our economy to recover—and hopefully we are in a recovery, but if we are, it is very fragile. This reduction of the spending, which will begin this year, of $8 billion or $9 billion, will affect the economy of my State. I submit it will affect the economy of every State. We estimate it will cost us 5,000 good-paying jobs. Multiply that throughout the Nation and you are probably talking about 300,000 or 400,000 jobs that will be lost.

And I want to emphasize that this reduction of activity will begin almost immediately because even though the Federal fiscal year starts in October, our fiscal year starts July 1, as does most States, and actually we are planning right now. We pre-finance Federal construction. As a matter of fact, just this year, my State is already being reimbursed $60 million for work that was done on the Federal Highway Program prior to October 1, that is, in the last Federal fiscal year, and only reimbursed.

While I share Congressman Otter's concern about the money that is not being spent—and I will address that very briefly—we do pre-advance a lot of Federal construction in Kentucky. I would submit that we are not talking about just the transportation jobs that will be lost, but rather the machinery equipment manufacturing business that—obviously, if this industry has got a capacity that is going to be 27 percent, 29 percent, or 30 percent under-utilized, there is going to be very little need for additional construction equipment in the next year or two for this particular segment of the construction industry.

So this cut in expenditure will directly translate into losses of jobs, not just in the construction industry, but also in the manufacturing industry supporting that construction industry, and in the retail industry's business that supports the workers in those industries. So for economic reasons, for the fact that we need to maintain our commitment to have a level level of investment—which means we can have stable employment in this industry—and the

fact that we need to continue our commitment to catch up on our basic infrastructure upon which our businesses depend, I would urge the Congress to maintain the level of funding for next year at about $31.6 billion, and then let us address the stability issue as we reauthorize TEA–21.

I would echo Congressman Otter's remarks that there are some unnecessary delays that we would ask also to be considered in the reauthorization bill. And I think Kentucky is very environmentally conscious. Our major initiatives in the Legislature today are dealing with the environment. But it takes an average of 5 years for us to get from the beginning of a project to the construction stage, where there is an environmental impact required. I could relate to you several specific instances where the environmental restrictions are just all out of proportion to the environmental benefit that has been achieved.

Let me go on to say that we are interested in safety. We appreciate the partnership where we can work together on issues of safety. But an overall request that the governors would have is, Tell us what you want us to achieve with your money and give us the flexibility to do it in the most efficient way. I think with many programs, the governors have demonstrated their commitment to follow through on Federal intent. Give us the flexibility. We will do a better job, we will do it more efficiently, and we will do it quicker.

With that, Mr. Chairman and Ranking Member, again, I appreciate your audience and will be glad to discuss further some of these issues.

Mr. PETRI. Thank you very much for your testimony. I want you to know that this committee looks forward to continuing to work closely with the National Governors Association as we perfect and strengthen the robust investment in our transportation infrastructure.

Your former colleague, the President of the United States, understands. Texas is a big State and they need good roads and lots of them, and other infrastructure. I had a chance to talk about this with the President on a trip he took to Wisconsin before the numbers came out. He indicated at that time that that was what he was told by the Budget Office that the law required. Our analysis is that that is not the case, that it is the minimum the law required, not the maximum. They could not have done a penny less, but they certainly could have done more under the staff analysis of this committee, our counsel, and I think some others in the transportation area.

You had a chance to discuss this, with some of your colleagues, with the President lately. Has he indicated, from his point of view, that this is something they are willing to go to war over? Is there flexibility there? Maybe they were misled and just were doing what they thought the machine was requiring to do in their submission to this Congress.

Could you comment on that?

Governor PATTON. I would admit that I do not know the details of exactly how this came about. But I understand there was some justification in the language to get to this point. I think the governors are very, very strong on this point—that is, a bipartisan coa-

lition of governors—and many of them have taken the opportunity to address those concerns to the President and to his staff. On Monday, when we had the opportunity to visit with the President, it was my charge to bring this particular subject up. The President seemed very receptive. He seemed that he understood it, and I am sure that he did. Being a governor, I understood it. As a matter of fact, I concluded my remarks by assuring the President that we knew that he understood it, we just wanted to make sure that his staff understood it. I suspect that perhaps some of the staff are not as road-oriented as perhaps myself and members of the committee and as the President is.

Mr. PETRI. On a subject slightly unrelated to this, but very important, this committee is working on and trying to collect ideas on—and something that States have to be very concerned about as well—the gas tax highway trust fund concept relies on sort of a user fee concept, so that the more you use the roads, the more fuel you use, the more you pay in. But because of ethanol, because of different new ways of fueling vehicles and operating them, that concept is going to have to be modified or the tax base potentially broadened going down, or we are going to have trouble because not everybody is going to be using the road on an equal basis.

So if there are any ideas that you or different States in your association have experimented with or thought about, we would be very eager to work with you on that. Our thought is that it is better to get something in place before, rather than imposing a tax on people afterward to try to catch up for something where they are using it and not paying for it.

Any ideas you have would be much appreciated.

Governor PATTON. Ideally, funding a government service through a user fee, to me, is the ideal way to do it. You can't do prisons that way and you can't do social welfare programs that way, but you can do transportation. It is a pretty good method. It is not going to be perfect and it is not going to be equitable in every situation. We do have to recognize that with the increased fuel efficiency that we have realized in this country over the last 20 years we are not putting as much money in a mile traveled on our highways as we are getting traveled. That is, we have an increased mileage but we are not having a proportional increase in funding. I think that needs to be looked at. As you mentioned, the favorable tax treatment given to certain non-petroleum fuels achieves, I think, a good societal purpose. I would question, Do we do that by reducing the payment to the highway fund? Could we figure out how to achieve that societal purpose with another funding source?

All of those are very complex problems, but the need for us to maintain modern infrastructure is very, very apparent. And I know the committee understands that fully.

Mr. PETRI. Thank you.

Mr. Borski?

Mr. BORSKI. Thank you, Mr. Chairman.

Thank you, Governor, for an excellent presentation. And thank you for your work with the President. I think we need it, not only from a bipartisan effort of the governors, but a bipartisan effort of the Congress, both sides. I think everyone on this committee understands the importance of getting this money back.

Governor, you mentioned in your statement that your—and I believe most States—fiscal year starts July 1 rather than October 1. What will you do—and what have you heard from other governors—if this low amount of money—is that what you need to plan your road building on?

Governor PATTON. We just will not award the contracts until we know we will have the money to pay the contractor when the work is done. We are already beginning to anticipate lower revenues, so we will be awarding fewer contracts this spring. Our custom is to award the contract, get them to work, go ahead and use State funds to pay that 3 months, and then my understanding of our Federal reimbursement is that we send you a big invoice in October and we get a pretty hefty refund pretty quickly.

We sort of pre-finance a lot of our Federal construction to get it a year ahead of time. If we waited for the money, we would have to wait for a whole construction season.

Mr. BORSKI. So you are anticipating at this point stopping work, or not going forward?

Governor PATTON. We just will not award as many contracts. We are awarding contracts all the time. We just will not award as many contracts as we anticipated. I personally only became aware of this potential reduction about a month or so ago.

Mr. BORSKI. And are you hearing that from other governors?

Governor PATTON. Yes. It is an absolute fact that even though you all are talking about next fiscal year, the governors are talking about this fiscal year because of the construction season. If you do not get started this summer—you do not start in October.

Mr. BORSKI. You indicated—and the chairman talked about this as well—that the President's budget proposal follows the mandates of TEA–21 by using criteria to calculate the funding proposal. TEA–21, however, does authorize an additional $15 billion or $3 billion per year in non-guaranteed amounts to be available for the surface transportation programs. Could the President's budget have reflected additional amounts above the guaranteed firewalls?

Governor PATTON. Again, I am not familiar with the details of exactly how this calculation came about, but I certainly support a level funding for this one fiscal year so we can see exactly how we can stop these big swings from occurring through our reauthorization.

Mr. BORSKI. I would like to talk a minute or two about your proposal to spend down the trust fund. We have tried that around here for a number of years. Staff reminds me that in 1978 the committee was faced with a similar situation and we tried to use the unspent balance in the trust fund, and that was totally rejected by the Ways and Means Committee. I am not sure we could fare any better now, to tell you the truth.

But CBO does estimate that continuing to push the program in the $32 billion to $35 billion range will push the trust funds into a deficit by 2006, while current service in the range of $28 billion to $32 billion range would maintain a stable balance. I believe we need to ensure that the trust fund can sustain a healthy program after 2003, and that is part of our concern as well.

Do you have any comments on that?

Governor PATTON. Again, let me say that I think stability is very, very important. Consistent funding, particularly for this kind of industry, is very, very important because you put a big hunk of money into your engineering firms, for instance. They design and they hire a lot of engineers to get the work done. Then you have a funding lull and they have to downsize their staff. It is very inefficient for a construction company. They have to go out and buy equipment to perform at this level. And when you have to let equipment sit for a year, you have really lost some money. Their money comes from working that equipment.

So in this industry it is very important that there be stability in funding for a lot of reasons. I think that needs to be a real goal as we go into the reauthorization.

Mr. BORSKI. I know in Pennsylvania, we have a pride in keeping our engineers in State employment and not leave to go to greener pastures. With an instability in the funding level, perhaps more of them will go. Is that a reoccurring problem for you, as well?

Governor PATTON. True.

Mr. BORSKI. I noticed in your statement—and I wanted to applaud you for your enactment of highway safety laws, such as the .08 BAC and open container laws. Unfortunately, several States have not been as aggressive as you and the State of Kentucky in taking advantage of the incentive programs. You mentioned in your testimony that we should maintain the carrot rather than the stick approach. But at what point should we use the stick, if people are not complying?

Governor PATTON. I always prefer the carrot. It is much more palatable politically. It gives State legislators more cover for taking actions that some might object to you when you can say that by doing this we can get this. It just goes down better than saying that if we don't do this, we will have this taken away from us. I think that the carrot is more effective. But that does give State legislators more of a cover to do some of these things that all of us know need to be done, but there might be some people that are very vocal that would object to it.

Mr. BORSKI. Thank you.

Mr. PETRI. Thank you.

Questions on this side?

Mr. Thune?

Mr. THUNE. I don't have any questions at the moment, Mr. Chairman, but I would submit a statement for the record. I appreciate your holding this hearing. This is an issue that is of extreme importance in my State. We have lots of highways and lots of miles to cover. We want to make sure that we have the adequate funding levels in place, not only this year, but as we head into the future and we start looking at the reauthorization. I appreciate your holding this hearing and the witnesses.

Governor, thank you for being here and for testifying.

Mr. PETRI. Your statement will be made a part of the record.

Mr. Isakson?

Mr. ISAKSON. I have just one question, Governor.

I saw in your remarks talking about the time it takes to get environmental approval. You were referring to a clover, if I remember correctly, in your written testimony.

Do you have any suggestions on what we might do to expedite, and what do you see as the biggest problem giving the environmental approvals? Is it inner-agency? Is it lawsuits? What is your experience in Kentucky?

Governor PATTON. I couldn't address it in detail. I have some people with me that might, if you wish. But I do know that it takes a lot of time. I have been talking to my secretary time after time after time. Why is this project taking 3 or 4 years? The answer is environmental. The details are the kinds of things that I talked about in my written remarks. I know of another situation where we have wetlands. I have a legislator raising all kinds of Cain with me and the secretary over an environmental issue that he just doesn't comprehend. He just doesn't understand it. It is a major problem and I have experts with me who can go into more detail, if you wish.

Mr. ISAKSON. I have come to the belief that we need to create some system for environmental concerns—particularly when it comes to the litigation period and you can't abrogate anybody's rights to go to court—but it seems like it can be abused to the point of delaying projects or final decisions forever. I am one that sort of subscribes to the belief that we ought to create some type of a one-shot arbitration system before litigation to try and mediate some of these environmental problems brought out by outside groups, not the agencies necessarily. I would love to see—if your people have any suggestions along that way, please send it to us at the committee. We are getting into some 5-to 10-year episodes that are just exasperating.

In our State, the clean air problems we are trying to fix by improving capacity, improving interchanges, the stop-and-go traffic. I think somewhere along the line we have to find a mechanism where a meeting of the minds can come faster and less litigious to expedite these projects. So I would love any input your commissioner or other highway people might have, or your environmental agency, for that matter.

Governor PATTON. I will have that prepared, not only for Kentucky, but also for the National Governors, and then give it to you and the committee.

Mr. ISAKSON. Thank you, Governor.

Mr. PETRI. Mr. Mascara?

Mr. MASCARA. Thank you, Mr. Chairman.

Welcome, Governor. I note from perusing your testimony that there are some similarities between our careers. I came from business. You were Deputy Security of Transportation. As Washington County Commissioner, I was the chairman of the southwestern Pennsylvania Regional Planning Commission that did planning for Southwestern Pennsylvania. I note that you were a county executive and I was chairman of the Board of Washington County Commissioners for 15 years. I don't equate my membership in the House with your governorship, but certainly I am now a Member of Congress.

It has been opined that Frank Mascara would build a road to anywhere. So I guess you get an idea where I come from because I simply believe that studies around the world have shown a strong correlation between investment in infrastructure and economic de-

velopment. As long as I have been reading from other countries around the world who have made large investments—I recall that when we did ISTEA and TEA–21 that someone said $240 billion and $250 billion—that is a lot of money—and it is. But the Japanese will spend $1 trillion over the same 6-year period. So we really have some catching up to do with some other countries around the world.

I want to get back to what Congressman Borski touched on concerning the proposed cuts as a result of the Treasury's calculation of anticipated revenues from gasoline taxes, and that ethanol does not produce the same kind of tax that regular gasolines produce. What effect has that had on Kentucky? Congressman Rahall and I work very closely on transportation and I had a note from one of his staff. Perhaps you would want to touch on that.

The 50 States are being hurt by the proposed budget cuts to the Federal Highway Program. You and I both come from Appalachia States. We have been working to improve the economy in Appalachia and one method is to continue to build roads and to promote interstate commerce.

How detrimental do you see the proposed highway budget cuts to your plans to reinvigorate the economy in the distressed counties in Appalachia?

Governor PATTON. You correctly understand that our highway infrastructure is an integral part of our industrial capacity. It is just that part that we pay for commonly through our taxes and expect our governments to construct for us. You understand it, as do I.

If you do an analysis of the small towns in Kentucky that have done well, it is the towns that are on the interstate. The ones that are atrophying a little bit are the ones that do not have good access to interstates. We can ameliorate that by building them a good four-lane access to the interstate, if we have the money. Unfortunately, we did not build the interstates through hardcore Appalachia. Where I live, we sort of went a little north to get away from the steep mountains or we went a little south to get away from the steep mountains. But we did not take I–64 straight from Lexington to Washington right through my hometown. We did not take the most direct route. That has resulted in isolation.

The Appalachian Development Program is our only hope to get away from that permanent isolation that the lack of interstates in hardcore Appalachia has produced. I just cannot overemphasize how important that it is.

Mr. MASCARA. Given that the country's economy is in a decline, you would think that we would want to continue to spend at a level that would certainly create more jobs. In Pennsylvania, the proposed cut equates to approximately 14,000 job losses in Pennsylvania. I suspect you will experience the same thing with those cuts.

Governor PATTON. We are a little smaller than Pennsylvania, but 5,000 jobs means just about as much to our economy as 14,000 does to Pennsylvania, sir.

Mr. MASCARA. Thank you, Governor. Thank you for coming.

Mr. PETRI. Thank you.

Representative Capito?

Mrs. CAPITO. Thank you.

Governor Patton, I represent the State of West Virginia, as well as Mr. Rahall. I have three questions, I will just kind of give you the questions and you can answer in order.

You sort of touched on the last one, the isolation created by lack of roads in certain areas. We certainly feel that in West Virginia.

You may be familiar with a controversy that is not really Federal, but in our State right now, the weight of coal trucks and how to enforce the law or raise the weight limits on the trucks. I am interested to know how you have addressed that issue in Kentucky.

Another question is in assessing the grand needs that we have in West Virginia to build roads and the lack of Federal and State funds to meet all of those needs. One of the suggestions that has come out of our State Legislature is to do a private/public partnership in terms of building toll roads. I wonder if you have considered that in Kentucky.

And the last question really was close to what Congressman Mascara asked, so I will just leave it at those two—overweight coal trucks and toll roads.

Governor PATTON. I do know the coal business. I was in it for 20 years and we did haul a lot of coal. Because of the lack of rail, we began hauling it by truck. And because of the economy, they started hauling overweight and it has grown totally out of proportion. It is a problem, but local officials just will not put people out of business.

I proposed a program a couple of years ago to get it to a reasonable limit, and I could not get that passed through the Legislature. I know that you are considering the subject in West Virginia. It is a subject that most States need to address and I have asked my Legislature to do that.

As to the subject of toll roads—and we have built a lot of them in Kentucky—I am not a big fan of them. It is a very expensive way to get revenue. It means that people using certain roads will be charged a greater fee than people who have other roads that have been built by the general fund of road money. I pay for my gas tax just like everybody else, and then I have to pay an additional fee. So I am not a big proponent of tolls, generally. In Kentucky, they really never generated enough money to even begin to actually pay for the roads. At times, we were spending 50 percent of the money collected just for the wages of the people that collected it. I am not a big proponent of tolls.

Mrs. CAPITO. Thank you.

Mr. PETRI. Thank you.

Representative Millender-McDonald?

Ms. MILLENDER-MCDONALD. Thank you, Mr. Chairman and the Ranking Member. I am very appreciative to both of you convening this meeting.

Thank you, Governor, for being here this morning. I am encouraged by you being here. You are the voice for other governors.

I know we have a vote on the Floor. We just say thank you and thanks to all of those who have come this morning from local governments and State governments to come and really talk about how TEA–21 has made such an impact in your States.

I am from California. Of course, it has made a tremendous impact with my State.

We thank you. We hope that you continue to walk with us as we walk through this. Again, thank you so much for being here.

Mr. Chairman, I have a statement. I will not have any more questions.

Mr. PETRI. Thank you. Your statement will be made a part of the record.

Governor, thank you very much for your testimony. We do look forward to working with you and your associates.

There is a vote on the House Floor. It is the only vote of the day, I am told. Representative Kelly was kind enough to go over. I think she is probably on her way back by now. We would like to ask the second panel to organize themselves at the table and we will probably begin as soon as Representative Kelly returns, which should be no more than 5 to 7 minutes from now. We will recess until her return.

[Recess.]

Mrs. KELLY [ASSUMING CHAIR]. Thank you very much for being here today. We welcome the second panel.

First we will hear from the Honorable Kenneth Barr, the mayor, representing Fort Worth, Texas and the U.S. Conference of Mayors. Second, we will hear from the Honorable Chris Hart, county commissioner, representing Hillsborough County, Florida and the National Association of Counties Transportation Steering Committee. Next we will hear from the Honorable Sandy Greyson, councilmember, representing Dallas, Texas and the National League of Cities. After that, we will hear from the Honorable Karen M. Miller, county commissioner, representing Boone County, Missouri and the National Association of Counties Executive Committee. Finally, we will hear from Maria Lehman, commissioner of public works, on behalf of the Honorable Joel Giambra, county executive of Erie County, New York.

I know Congressman Quinn, who I think is coming back, had wanted to make a statement welcoming you here, Ms. Lehman. We will let him do that when he does arrive. I know you all have planes to catch, so in order to get this committee moving, we will get started. We are glad to have you here and we welcome your testimony.

Mr. Barr?

TESTIMONY OF HON. KENNETH BARR, MAYOR, REPRESENTING FORT WORTH, TEXAS, AND THE U.S. CONFERENCE OF MAYORS; HON. CHRIS HART, COUNTY COMMISSIONER, REPRESENTING HILLSBOROUGH COUNTY, FLORIDA, AND THE NATIONAL ASSOCIATION OF COUNTIES TRANSPORTATION STEERING COMMITTEE; HON. SANDY GREYSON, COUNCILMEMBER, REPRESENTING DALLAS, TEXAS, AND THE NATIONAL LEAGUE OF CITIES; HON. KAREN M. MILLER, COUNTY COMMISSIONER, REPRESENTING BOONE COUNTY, MISSOURI, AND THE NATIONAL ASSOCIATION OF COUNTIES EXECUTIVE COMMITTEE; AND MARIA LEHMAN, COMMISSIONER OF PUBLIC WORKS, ON BEHALF OF HON. JOEL GIAMBRA, COUNTY EXECUTIVE, ERIE COUNTY, NEW YORK

Mr. BARR. Thank you, Madame Chairwoman and members of the subcommittee. I am Kenneth Barr, the mayor of Fort Worth, Texas.

I am here to appear today on behalf of the United States Conference of Mayors, where I serve as Chair of the organization's Transportation Committee.

I want to thank the members of the committee for holding this panel and giving us the opportunity to speak about the reauthorization of TEA–21.

Last month, when Boise Mayor Brent Coles testified before the Senate Environment and Public Works Committee, his statement highlighted a number of issues pertaining to the economic importance of cities in the reauthorization of TEA–21. As a starting point, I want to emphasize a statement by Mayor Coles, which captures the Conference of Mayors' broader view on TEA–21 reauthorization. He said, "TEA–21 certainly provides the tools and the laboratory, but it doesn't guarantee success. This is up to the mayors and the other local officials working with citizens, the governors and State transportation officials to use the tools you have provided."

I know that TEA–21 has been classified and is an innovative, problem-solving tool that has improved the quality of life for millions of citizens both in large cities and rural towns in America. I would like to call your attention to several emerging issues that have considerable bearing on this committee's review of the TEA–21 reauthorization.

Since 1999, the Conference of Mayors has released annual data prepared by Standard & Poor's DRI, which measures the gross metropolitan product for the Nation's city/county metro areas. As the focal points of economic activity, metropolitan areas are vital to the Nation's continued economic development.

If they were counted as a single country, the gross product of the five largest metropolitan areas in the U.S. would rank fourth among the world's economics. The importance of metro area economies can also be illustrated by their size relative to the output of U.S. States. The gross product of the ten largest metropolitan areas exceeds the combined output of 31 States. In the study, we found that 47 of the top 100 economies in the world are U.S. city/county metro areas.

To give you a local perspective, the Fort Worth/Dallas metropolitan product is larger than Greece, New Zealand, Iraq, and Vietnam combined. And between 1990 and 2000, city/county metro economies contributed 86 percent, or more than $3.6 trillion, of the growth in the Nation's economy.

The correlation between continued national economic growth and urban transportation investment is clear. Strengthening that correlation is that the fastest growing segments of the U.S. economy, including business services and high-tech, are almost entirely located within metro areas. In addition, over the past decade, the majority of new jobs in the financial services and transportation and utilities sectors have been created in our metro areas. Continued economic growth requires strong transportation investment in cities.

The implications of this information for Federal and State policymakers are far reaching. There is no doubt in my mind that the resources provided by ISTEA and TEA–21 have played a significant role in the economic vitality of cities in metro regions. ISTEA

and TEA–21 success stories are many. CMAQ has spurred innovative projects in cities across the Nation to improve air quality. In Fort Worth, we were able to combine CMAQ and surface transportation program funds provided through our Council of Governments to promote mixed-use development projects along four key corridors of the city. The successful transportation enhancement programs have created new bicycle facilities and have promoted community-based transportation initiatives.

The Job Access and Reverse Commute Program is more important than ever with the Bush Administration proposing revisions to the 1996 law that overhauled the welfare system by increasing work requirements on people who get government assistance. The Transportation and Community and System Preservation Pilot Project encourages cities to make new linkages between land use and transportation. This is a linkage that is working.

Cities have enjoyed the fruits of ISTEA and TEA–21, yet, despite the progress, there are still areas of concern. The U.S. Conference of Mayors recently surveyed a group of 40 mayors to solicit their general views on how TEA–21 is working. Nearly one-half of the mayors indicated that under TEA–21 their State had committed additional funding, or planned to commit additional funds, to local projects of particular priority to the State or the region. When we asked if their MPOs had set any targets for fair share funding under TEA–21, one-half of the respondents said yes.

Based on the survey, it appears that States are reaching out to local governments under TEA–21. However, only 40 percent of the mayors had been asked to participate in the State process to decide funding priorities for TEA–21 dollars.

The area of concern highlighted by the survey of mayors is that often we are not at the State table when funding priorities are finalized.

Mrs. KELLY. Mr. Barr, your time is up. The red light is blinking. I don't know if it was explained to you that we have 5 minutes for each of you to summarize your testimony. Your full written testimony is a part of the record. So if you could summarize, I would appreciate that.

Mr. BARR. Thank you.

If there is one point I want to leave with the subcommittee today, it is that when you consider the very impressive economic performance of my region and the other metropolitan regions across the United States, you can understand why it is so important that we be at the table when the funding and priority decisions are made.

Let me just ask you for a moment to comment on the President's 2003 Highway Program. The impact of such a cut would be devastating to State and local transportation programs. The Conference of Mayors supports the Highway Funding Restoration Act that would increase the budget at least back to the $27.7 billion level. The chairman referred earlier to the letter from the eight local governmental organizations supporting H.R. 3694. The Conference of Mayors strongly supports that.

Thank you very much for the opportunity to appear here today.

Mrs. KELLY. Thank you very much for your testimony.

Just to explain the lights, there is a timing system that we have control of up here. The green light means you have 4 minutes, the yellow light means you have 1 minute to summarize, and when the red light starts to blink, it means you are well over your time. I would like to try to hold that timing factor in your testimony.

Please do understand that your full written testimony is already a part of the record and many of us have read it in full. So anything you would like to do to summarize it will be good.

Thank you very much.

We move now to Mr. Hart.

Mr. HART. Good morning, Madame Chair and members of the committee. I am Chris Hart, commissioner of Hillsborough County, Tampa, Florida. I am here as the Chair of the Transportation Steering Committee for the National Association of Counties. I appreciate the comments of the previous speaker and also Governor Patton. You will find a great thread of continuity between our comments.

Based on Madame Chair's guidance, I will quickly go from telling you what a great place I come from and go right to the heart of the matter. I was only going to use that as reference, since it is testimony, to let you know that I am from a dynamic community that has all the complexities of urban, suburban, and rural regions. All the transportation systems that I have my hands on on a daily basis are no different than those I represent at the national level working with people across America representing America's over 3,066 counties.

Karen Miller, our Vice Chair, will be following me later, and will address the rural aspects of TEA 21 reauthorization in separate comments.

To summarize, there are about 1,000 local governments that are urban counties. Much like the mayor was talking about, your metro centers, in many cases—city, county governments, like my home in Tampa Bay, accounts for 80 percent of the gross domestic product and have over 125 million people in just 100 of the most populous counties in America.

ISTEA—starting in 1991 and now TEA–21—provided a 40 percent boost in the funds that are relevant to what we are exactly addressing here today. So we have seen the benefits of this. And very directly is an example in 2000 in my area of Tampa Bay—which is seven counties and 3.5 million people—we were able to have $1 billion—"B" as in big—allocated to our area to improve State, local, and Federal transportation systems because of TEA–21. I think that is a significant point that each of the members have been asking about here.

We believe that there would be an economic disaster if Congress were to eliminate the firewalls established in TEA–21 or begin to use the trust fund for other programs or to mask the deficit. Madame Chair and members of the committee, the financing decisions made in 1998 were the right ones.

With that as a backdrop, I would just like to simply say that NACo supports H.R. 3694 and S. 1917, which Chairman Petri had mentioned. Seven or eight local organizations support these bills.

But it is just not how we find this effective. A funding reduction would include the Surface Transportation Program and a flexible

program that many regions had used to fund transit improvements. As we have established our own reauthorization committee, we are now finalizing our recommendations. But I can tell you without reservation that one of our top issues will be environmental streamlining. But let me be clear. We are not talking about any change or reductions or repeal of environmental protection laws. We are talking about ensuring that the system we have is timely and efficient. And this would look at concurrent permitting, not sequential permitting, regardless of the agencies involved. That is key.

Another part of this is certainly the flexibility we have had under TEA–21 that has made this all possible. We are able to make better decisions, and we get right to the very issues. As the growth patterns of American populations have changed, we are able to better match or lead these changes with transportation decisions at the local level based on the discretion and guidance TEA 21 has given.

There are a couple of quick issues I would like to address—and I see the yellow light—congestion. That is going to be a key issue and there are ways to address that. One part of that is obvious: because it involves our tourists, citizens, and commerce. That is the key to why we must address competition. And 50 percent of this occurs because of breakdowns and accidents on our highways. So incident management, which can be done at little cost, but directed in your legislation, would be key to that.

Another key is signalization, or intelligent transportation systems. The reason is that at the local level throughout America, we get an eight to one return on that investment by reducing congestion.

I wish I had another 5 minutes to talk about transit. We believe the firewalls created to protect that funding are important and that the basic highway transport funding ratio of four to one should be continued. There is no backing away from these principles.

In conclusion, flexibility is a keystone of the transit program and the ability for us to work with our State to get the best results in this.

With that, Madame Chair, this concludes my testimony. I look forward to your questions. Thank you.

Mrs. KELLY. Thank you very much, Mr. Hart. We appreciate your awareness of the time limit.

Ms. Greyson?

Ms. GREYSON. Thank you, Madame Chair and Ranking Member Borski. I am pleased to have the opportunity to appear before you today to discuss such an important issue for the Nation's cities. I am Sandy Greyson. I am a city councilmember from Dallas, Texas. I am pleased to be here today with my friend, Mayor Barr, not only as a Texan but also as a representative of the National League of Cities.

The National League of Cities represents 18,000 cities and towns and over 140,000 local elected officials. NLC represents all cities, regardless of size. Our largest member is New York City with a population of 8 million and our smallest member is DeGraff, Minnesota with a population of 149. As the representative of the Na-

tion's local leaders, NLC has a vital interest in the reauthorization of TEA–21.

Last year, the TIS Committee of NLC appointed a special TEA–21 Reauthorization Task Force to examine TEA–21 issues and their impact on cities. I served as Chair of the task force, which recently completed a year-long rewrite of our surface transportation policy, which was adopted by our full membership last December at our annual meeting. I would like to submit NLC's 2002 transportation policy for the record.

In addition to representing NLC today, I am here on behalf of my city, Dallas, where I have served on their Council's Transportation Committee as Chair and a number of organizations.

Madame Chair, as we embark on the reauthorization process, we must take into account the current climate in Washington, D.C. and the Nation. These are tough economic times and in the aftermath of September 11th, local officials are shifting priorities.

Therefore, we are very concerned that the President's budget calls for a severe nearly $9 billion reduction in TEA–21 funding. The Nation cannot afford to lose thousands of jobs by indefinite project postponements and possible cancellations if the program is so drastically cut. In my State alone, it is estimated that Texas may lose over $560 million in vitally needed Federal transportation dollars.

This week, NLC joined our local partners to issue a letter to Congress supporting the Highway Funding Restoration Act, H.R. 3694, which would increase funding by $4.5 billion to $27.7 billion in 2003, the level authorized by TEA–21. The Nation's local leaders would like to thank members of the subcommittee and Chairman Young and Ranking Member Oberstar of the full Transportation and Infrastructure Committee for sponsoring this important legislation. We pledge to work with you to ensure its passage. In addition, we plan to work with the House and Senate appropriators to ask for at least 2002 level funding for the program in 2003.

Madame Chair, as we pledge to work together to protect the funding levels of this vital infrastructure program, the Nation's local elected officials would also like to highlight some key priorities for the next surface transportation bill.

Following the events of September 11th, it has become clear that security issues will have to be a priority in TEA–21 reauthorization discussions. As cities across the Nation shift valuable resources to an increased public safety budget to protect our citizens, the question becomes, What will the role of the next Federal surface transportation program be in homeland security? Will the Federal Government be able to offer greater assistance to cities to meet their needs? In my city alone, we have spent approximately $3.2 million on heightened security following the events of September 11th.

NLC recently created a working group on homeland security to try to answer some of these important questions and to help better define the new role of local governments in national defense and what those new responsibilities require in terms of Federal support, intergovernmental partnerships, and local budgets.

In addition to security, NLC members identified congestion as a major concern when they created the TEA–21 task force. The themes of funding, flexibility, and intermodalism dominated the

discussions. On funding, NLC supports the budgetary mechanisms developed in TEA–21, which directly link transportation user fees to transportation funding and protect highway trust fund revenue from being used for non-transportation purposes.

In addition, NLC supports the Federal-State matching financial relationships that currently exist and oppose any reduction of the Federal financial commitments. On flexibility, NLC supports local flexibility to design, manage, and operate a city's transportation systems. To continue to provide the most options to local governments, NLC supports the continuation of CMAQ, Transportation Enhancements Program, the Transportation and Community and System Preservation Pilot Program, and the ITS Program. These programs have made a huge impact on localities and had a positive effect on quality of life.

We urge the subcommittee to consider the development of a congestion relief program that recognizes that congestion is a local issue and provides direct funding to cities and regions of all sizes to address related problems in their communities. We strongly support Federal programs that fund different transportation modes, such as the Federal transit and rail programs.

In addition, NLC also supports the development of intermodal facilities to help create a seamless, uninterrupted transportation network.

In conclusion, the Nation's local elected officials stand ready to work with you throughout the reauthorization of TEA–21. We value our place at the table and value the efforts you are making to address this bill.

Thank you for this opportunity.

Mrs. KELLY. Thank you very much, Ms. Greyson.

Now we move to Ms. Miller.

Ms. MILLER. Thank you, Madame Chair and members of the committee. I am Commissioner Miller from Boone County, Missouri. Today I am here to speak on behalf of the National Association of Counties where I serve as its first vice president.

NACo has a diverse membership. Today I will be addressing issues relating to rural counties. Of the 3,066 counties, 2,000 are rural and they have approximately 1.65 million miles of county-owned highways. Counties also own 45 percent of the Nation's bridges, most of which are located on our rural system.

It is extremely expensive to maintain and improve this system. Many of the 2,000 rural counties try to do so with a dwindling tax base so that they can remain competitive in today's economy and retain their current population. NACo believes that TEA–21 reauthorization must include a commitment to rural regions and rural elected officials because rural local governments cannot sustain a good transportation infrastructure by themselves.

This is really about economic development and its impact on rural counties. I think we know that many of our citizens will not remain in rural areas without good jobs, and employers who pay good salaries will not come to a community without a good transportation system. It is also about safety and protecting our citizens who travel on rural roads.

Counties have benefitted from the funding increase for transportation in TEA–21. The firewalls need to stay in place. The policy

reflected in the Administration's 2003 highway budget is not the direction in which we should be moving. NACo believes that more, not less, highway spending is needed and that rural regions of our country will be hurt by the proposed $8.6 billion cut. I expect many of our counties will also be facing reduced State aid, and that means fewer dollars for transportation. For all these reasons, NACo supports H.R. 3694, the Highway Funding Restoration Act.

Beginning with ISTEA and continuing with TEA–21, a major philosophy in the highway and transit programs has had greater input from local elected government officials. The result has been better planning, better decisionmaking on project selection, and better projects. TEA–21 called for a consultation process in each State for obtaining rural local officials' input in a statewide transportation plan. This was not a one-size-fits-all proposal, but rather an effort to ensure that rural elected officials had some voice on how Federal funds are to be spent. No one has ever explained to me why an urban elected official is more qualified to be heard on project selection than a rural official.

I must add that while some States have a process in place, and the Federal Highway Administration did issue guidance on this change to its field offices, the USDOT has yet to issue final regulations on rural planning requirements. It has been 2 years since USDOT issued the proposed regulations. We very much hope this issue can be resolved so that it does not carry over to the reauthorization.

NACo has a TEA–21 Reauthorization Task Force that has met several times. While we have not finalized our policy, there are a number of items that I expect to be included. I have already mentioned guaranteed funding, the firewalls, and the rural planning process. Environmental streamlining is also likely to be included.

Rural roads are in need of substantial Federal investment. Safety is the primary reason. According to a U.S. General Accounting Office report issued in July 2001, rural local roads had the highest rate of fatalities per vehicle mile traveled of all types of roadways—over six times that of urban interstates. In 1999, over 25,000 fatalities occurred on rural roads across the United States, and that figure was 2.5 times greater than the fatality rate from accidents on urban highways.

In Missouri, 72 percent of the fatalities in the State happen outside the Kansas City and St. Louis metro areas. If Congress wants to reduce auto fatalities, there is no better investment than on roads in rural counties.

NACo will be proposing a new program to address rural road safety in the coming months. The concept behind this program will be to focus Federal resources on dangerous two-lane rural roads that can be improved through investment and correcting vertical and horizontal alignment, signage, pavement markings, and other safety improvements.

The Federal Bridge Program has always been one of importance to rural counties, and this subcommittee has demonstrated great support for it. Frankly, there cannot be enough funding for deficient bridges. Forty percent of the bridges in Missouri under the responsibility of local governments are either functionally obsolete or structurally deficient. In particular, we support what has been

known as the Off-System Bridge Program. That is a percentage NACo believes should be increased to at least 25 to 30 percent of the Federal fund.

Let me comment, finally, on transit in rural areas. Transit is commonly perceived as an urban issue. However, it is also a rural issue and the Federal Rural Transit Program is very important to our members. The many small transit agencies serving rural America make a difference, particularly as the population ages. While $225 million does not seem like a lot out of an annual $7 billion transit program, it goes a long way. Transportation needs to be available because counties are responsible for getting individuals off welfare and into the job market.

Madame Chair, this concludes my testimony. Thank you for allowing us to testify before you today.

Mrs. KELLY. Thank you very much, Ms. Miller. We move to Ms. Lehman now.

Ms. LEHMAN. My name is Maria Lehman and I am the Commissioner of Public Works for Erie County, New York. I am also currently the Vice President of the American Society of Civil Engineers.

Erie County is a large upstate New York county with a total area of 1,048 square miles, and home to New York State's second largest city of Buffalo. As the rest of the country enjoyed the economic boom of the 1990's, upstate New York saw little to no growth.

As commissioner, I have the responsibility for 2,440 lane miles of Erie County roadways. Roughly half of those are on the Federal Aid system. Within the system, there are 300 bridges and 400 culverts, 58 percent of which are structurally deficient or functionally obsolete. Fifty percent of our roadway system is in fair to poor condition.

I applaud this committee for your leadership in the introduction of H.R. 3694 on February 7. In doing so, you made a pronouncement that now is not the time to cut highway investment. I urge you, as you deliver this bill as a committee, that you consider the amount as a bargain basement amount.

The RABA impact to New York will be a cut of funding of over $345 million in fiscal year 2003. This equates to a job loss of over 14,500. When you consider the devastating effects of September 11 on the New York State economy, as well as the infrastructure rebuilding costs in New York, this cut will have a very severe impact on the entire State, especially in the upstate area because rebuilding will occur in Manhattan.

As we are looking at reauthorization, I can summarize priorities in three separate areas: expanding infrastructure investment, enhancing infrastructure delivery, and maximizing infrastructure quality.

Infrastructure investment needs to be expanded just to keep up with the backlog of work. A reliable, sustained user-fee approach to building and maintaining the Nation's highways and transit systems is integral to our economic prosperity. Current needs without capacity improvements are in the $50 billion range for annual Federal investment.

Serious consideration should be given not only to indexing the Federal gasoline tax to preserve the purchasing power of the user

fee, but also to increase this user fee. The trust fund balance needs to be managed to maximize the investment in infrastructure and to keep cash balances at the minimum required level, as opposed to carrying ever-increasing amounts. Taking the trust funds off budget will preserve firewalls in the program.

We also need to maintain guarantees on the equitable distribution of funds with a greater focus on infrastructure preservation. Infrastructure in the northeast is the oldest in the country, and due to the relatively level or decreasing populations, there has been great pressure to have all the funding follow the census. That can have devastating effects in our area as it mortgages a problem into the future.

Innovative finance also has a major role in the ability of States and local municipalities to meet great backlogs of needs. Things like the State Infrastructure Banks, TIFIA, and Garvey need to be expanded and complimented with other similar programs.

Due to the successful implementation of the Metropolitan Planning Organizations over the past 2 decades as urban area coordinators of Federal aid programs, consideration should be made to having the MPOs get some of the Federal aid directly from Federal aid programs. This would put the source of money directly, and project administration costs close to product delivery, thus making more effective use of funding and stretching the value of every Federal dollar.

One concern I have on the revenue side of the house is the effect of ethanol on revenues and how this bodes in the future with fuel cell technology. The reauthorization will need to address the incentives to decrease our country's dependence on gasoline, while providing for single occupancy vehicles and the mobility to which we have all grown accustomed. Fuel cells are the future, but incentives will be required to change the paradigm. We need to facilitate this change with a look to the future horizon and how to support our Nation's surface transportation without gasoline taxes.

Enhancing infrastructure delivery boils down to getting the best bang for the buck. There are serious issues currently that need to be addressed to expedite project decisionmaking, consistency between agencies—and in some cases within agencies—and providing time lines for project review and delivery. We need to find ways to deliver projects more quickly, procure faster, provide alternative delivery of projects, expedite regulatory decisionmaking, remove delays, and spend more money on steel, concrete, and construction materials and not on paper.

Environmental streamlining needs to be seriously addressed. There are more incredible stories that are stranger than fiction. A current example is that in a 2000 flood, we had a FEMA declaration, and we had rip-rap along a stream that was coming away. A major problem. We had the State Historic Preservation Office ask us to use a manual shovel on 18-inch stone. This is a physical impossibility.

The anecdotal stories are true representations of frustrations felt by municipalities and design professionals, which spend needless time, resources and talent responding to ridiculous commentary. In order to minimize this, reauthorization should mandate peer review of environmental technical regulations by outside, independ-

ent experts in technical fields affected by the regulation's implementation.

Maximizing infrastructure quality is a matter of research in surface transportation. A Federal research program should focus on emerging and long-term issues, including the traditional transportation themes, but expanding on items such as creative financing and infrastructure security.

Mrs. KELLY. Ms. Lehman, I am sorry, but you are running out of time. Could you summarize, please?

Ms. LEHMAN. In summary, I would just like to reiterate that the needs out there are great. We need to be able to provide more bang for the buck, as well as keep the funding at the high levels.

Thank you.

Mrs. KELLY. Thank you very much.

Because he has a prior commitment, I am going to allow Congressman Quinn—and because she has a prior commitment, I am going to all Congresswoman Johnson—to go ahead of Congressman Borski and myself in their questioning.

Congressman Quinn?

Mr. QUINN. Thank you, Madame Chairwoman. I appreciate your understanding.

I want to thank the full panel. While I was not here for your testimony, I appreciate and have taken a look at your statements. All of you other four members on the panel are elected officials. Maria Lehman, I talked into her job, so I feel responsible for her being here this afternoon.

I represent Erie County in New York and we have been longtime friends; an expert in the field. I want to assure the four of you that if you could you would love to have her on your staff to do the great job she does for our county executive, Joel Giambra, in Erie County.

Maria, when you were talking about peer review by an outside agency, I thought we had another Enron hearing, like a dozen is not enough in the Congress.

I wanted to give you a chance during my time to talk about the Garvey bond issue, and its effect on a place like Erie County, New York because I think it is typical of what we are looking at all across the country.

Ms. LEHMAN. Basically it is a Federal guarantee where the locals, States, or municipalities can actually bond the projects with a Federal guarantee.

We are now working on that in Erie County. I might add that there are about a dozen States that have actually taken advantage of that. Even though the legislation allows local municipalities, no one has ventured into that water. We are venturing into it right now. What it does allow for is the fact that—right now my backlog is about 50 years at the level we are doing our work. Obviously, with the life span of a road being approximately 20 years and a bridge 30, we will never catch up. What it is trying to do is solve some of our problems on the infrastructure system, while at the same time providing for the economic growth that we need so badly right now.

Mr. QUINN. Thank you so much.

I yield back.

Mrs. KELLY. Thank you very much, Mr. Quinn.

Ms. Johnson?

Ms. JOHNSON. Thank you very much, Ms. Chairwoman.

Calling this hearing and being here for it is important. It is especially important for my State and my area, Texas, which is miles and miles and miles of highways. Contrary to some of the other parts of the country, our population in the Dallas/Fort Worth area doubled in the last 5 to 6 years. So we are out of containment and we are trying very hard to address it through some of the highway money. If we do not get it, we will be in worse shape. So I fully support the bill, and I have about 30 others to join me. We have a councilwoman from Dallas who served on the DART board for 4 or 5 years, who is very familiar with our transportation system.

Thank you to all the witnesses for coming today.

Thank you very much.

Mrs. KELLY. Thank you very much, Ms. Johnson.

I have a couple of questions. First I would like to address a question to Mr. Barr.

Mr. Barr, you talked about the impact of a budget cut on you specifically. Have you seen a magnifying effect falling into place in some of the States, or have other State governors spoken with you about a magnifying effect if we come back with a reduced amount of money that is available to the States? Would this have an impact on you and on your city?

Mr. BARR. Yes, ma'am, it would have a very substantial effect. I think you have heard testimony this morning about the backlog of projects. These projects, to me, especially in the urban areas, lubricate the machinery of the economy. When projects are delayed, not only do we not have the money being spent on the projects, but it has other ramifications that negatively impact the economic growth and the economic activity.

Mrs. KELLY. If I understand you correctly, you are saying that a reduction in jobs is the result.

Mr. BARR. Not only are there direct jobs that are lost, but there is an echo effect out into the general economy. At the very least, there is enormous missed opportunity for economic growth and expansion and enhanced employment.

Mrs. KELLY. Thank you.

Mr. Hart, a couple of States—my own State of New York, California, Pennsylvania, Texas—transfer a significant portion of their Federal highway funds for use in transit projects. These are flex funds, and you spoke about them. I am just wondering how your State's ability to use the flex funds for the transit programs would be affected by a decrease.

Mr. HART. That would be significant, even though I cannot put a dollar value on it right now, in part, jokingly, because our Legislature is in session and will be for another month or so.

But very directly, just in my immediate community of Hillsborough County—and we have three cities, Tampa, Plant City, and Temple Terrace—but we have over 1 million people. As a major urban center, our challenge really is to get more people to use our transit system. Without that, we are now finding out that we cannot get outside the immediate urban area. And without that, the significance is that there are 600,000 people that live beyond

those municipal boundaries and just 300,000 inside, in round numbers. So you have two-thirds of our population that we cannot serve if we cannot have a mix between transit and our regular road system. So that would be the impact to us if that decreases.

Mrs. KELLY. Thank you.

That backs up what you said, Ms. Miller. So let me talk to you about some of the growing pains that happen in rural areas when development spreads. Certainly in the area I represent we have seen a lot of this.

Was TEA–21 effective in addressing the transportation needs in rural communities before this?

Ms. MILLER. Every reauthorization, from ISTEA to TEA–21, we have had improvement. As I spoke about having a seat at the table, a lot of times the rural counties do not have staff, so they know all the information that staffs know in the urban counties. Then the urban county sends their official, who has not been at the table working on these things locally. So that is a reference as to why I believe that they are equally—or more so, sometimes—qualified to be at the table as a rural official.

So I think it has made a difference. In my State, we have a regional planning commission that the State has chosen to use as the vehicle to meet the intent of TEA–21, and that is working. We do have a larger say. But not all States are that lucky, to have a State that is willing to put a process in place.

Mrs. KELLY. Thank you.

I have one question for the whole panel.

Going back to this job issue, are transportation-related jobs an important component of the labor market in your city or county? And have you estimated in any way the potential job loss impact on your city or county if the proposed highway funding cuts are not restored?

I am throwing this out to the entire panel, so we can start with whoever wants to start first and then pick you all up.

Mr. HART. I would be glad to address this in two ways. Let me address welfare to work on one side, where transportation is a key component.

As you know, we were all challenged with a 2-year time limit to move people off welfare, as we knew it, to jobs with training and transportation being a key. In my community, we had over 14,000 families, and now we have less than 1,000. Even with that progress, many of them are still at the poverty level and transportation is a key component.

The second side of that is—there was just a report rendered that addressed the MSA of my community and said that in our last full report our community led the Nation in job creation. If you look internal to that, the largest jobs were created right in my immediate community. To give you a further example, we just had hundreds of new jobs—CitiCorp has come down, Uniroyal. These are all there and they are not entry-level jobs. We are talking about $50,000 a year and up. And we are talking about in the thousands. We are creating a new community a year with over 17,000 to 18,000 people, and it is that new growth of the economy because 10 years ago we began to focus locally and regionally on our transportation sys-

tems. But for that, we would tell you that we could not be there today.

Mrs. KELLY. That is incredible.

Does anybody else want to pick up on that?

Ms. Greyson?

Ms. GREYSON. I would like to say that in Texas it is projected that we will lose 13,000 transportation-related jobs if this cut takes effect. And since the Dallas/Fort Worth metroplex provides a large number of those jobs, it will very negatively affect our metroplex and its economic health.

Mrs. KELLY. Ms. Miller?

Ms. MILLER. In rural communities, construction jobs are one of the best paying jobs available. So because we do not have an equal seat at the table, if this cut takes place, the rural aspect is probably going to be hurt worse than the urban aspect. That is just going to create more poverty in those counties across America that are really struggling just to keep even at this point.

Mrs. KELLY. Ms. Lehman?

Ms. LEHMAN. As I mentioned, statewide we are looking at 14,500. Again, our projections are with the amount of investments that are going to have to be made in lower Manhattan, we see those job cuts are going to happen in upstate New York and are going to directly correlate to the areas that have had the economic problems throughout the last decade.

Mrs. KELLY. Mayor Barr?

Mr. BARR. I would just echo that the job loss will be very negative. I think the numbers Ms. Greyson has quoted make sense for our metropolitan area. It will have a very negative effect.

Mrs. KELLY. Thank you very much.

We go now to Mr. Borski.

Mr. BORSKI. Thank you, Madame Chair.

Mayor and councilwoman, perhaps you have a friend in the White House who might try to help a little bit?

Ms. GREYSON. We certainly hope that we are going to be able to help convince the President that he should be supportive of the restoration of the funding.

Mr. BORSKI. Mr. Mayor, obviously we welcome your help as well.

I did want to ask, however, about the MPO and how that works. Is it working? Is it working well? The idea in ISTEA was to take the power away from rural America, which was controlling all those highway dollars, and give a little input back to the cities and counties. Has that happened?

Mr. BARR. Our MPO has been a tremendous success story. Dallas and Fort Worth have a somewhat contentious history. At the MPO—and this is partly because of superior staff leadership—we have created the greatest partnership that I know of. We get great partnering between the eastern and western regions within the MPO, but also between the small cities and the large cities. It is a great forum. And I believe it is because we come together and we share the problems and the perspectives and there is a great dialogue.

And if you go back to my earlier testimony, I think we need to take that model to the local and State relationships and create

more of a round table of dialogue there. That would solve some of the problems that we are most concerned about at that level.

Mr. BORSKI. So it works really well from your perspective?

Mr. BARR. I cannot tell you how impressive it is. I hear other mayors from other parts of the country complain about their relationship with the MPO. That is not the case in north central Texas. We have a great success story, great model.

Mr. BARR. Ms. Miller, why does it not work for rural America?

Ms. MILLER. Well, because it does not have the same standing as the MPOs do. The rural planning organizations are more of a consultation process where you just kind of identify issues in your community, where the MPO—and I have served on our MPO, we have a small MPO—it has a more direct effect on what project is selected.

Our MPO does not work as well as yours does. The way it was set up, there is one representative from the county and four from the city. The area outside the city limits, that are in the urban service area, is supposed to be the MPO boundaries. But all the planning seems to stop at the city limits. We always have those imaginary lines that are saying stop, where it is supposed to be planned for the whole area. It is not. I focus on that a lot at our State level, but it is the way. If we do not force it, it is not going to change.

Mr. BORSKI. I guess my question is, Do you have the same lack of success at the State level?

Ms. MILLER. As far as having input?

Mr. BORSKI. Yes.

Ms. MILLER. I do not, because I am pretty forceful in getting my point across. But if you have not been involved in things like I have—I was Chair of the Highway Subcommittee of NACo, I was more familiar with the process and it was easier for me to approach my State, to know where the funds were and how to work towards that. The general county officials do not have that ability.

Mr. BORSKI. Mr. Hart?

Mr. HART. I would like to address that as well. There are two aspects to this. I testified a few weeks ago before the Senate. That was a key point I was making there, so I am glad you asked.

One, even though it was provided under law in TEA–21, the Department of Transportation has not given administrative guidance on that aspect. That is one part. The second part is for communities, particularly rural, that have populations of 50 to 200,000. They do not have the same authority that I have in my community with over 1 million.

So those are two, sort of, balancing things. One is simple guidance and the other is Federal authority for them to act in a similar way.

Mr. BORSKI. Thank you.

Councilmember Greyson?

Ms. GREYSON. Although I share with Mayor Barr a participation in a very successful MPO, National League of Cities has heard from many of its members—most of whom are small cities—that they do not have the same ability that we have in our MPO. Part of that is that there are the funding issues for MPOs. Many MPOs

are not adequately funded, so cannot staff and cannot do the range of things that our MPO does.

Mr. BORSKI. Ms. Lehman?

Ms. LEHMAN. I would add that I think there is great inconsistency between MPOs around the country. I would totally agree with the fact that there needs to be administrative guidance. I think there are some best practices around the country that could provide very good input. We have—I would not call it a dysfunctional MPO—but we are working towards being more functional. But a lot of that has to do with my own personal regulatory involvement around the country and the fact that I have had involvement in MPOs in other parts of the country. I think that practice is being shared and might be a way to get those inconsistencies out of the system.

Mr. BORSKI. Ms. Lehman, you raised something that has intrigued me for a while now, and that is the question of the trust fund and use of ethanol, which are things that most of us who are environmentally sensitive applaud. We would like to have cars that run at higher and better rates. That would also affect the trust fund.

I am glad you raised that because I would be interested in your views as to how we make up for that. This could be a serious long-term problem for us as the use of ethanol increases.

Ms. LEHMAN. I think ethanol is a small issue compared to what we will see with fuel cell technology. As a practicing professional engineer, the technology for fuel cells has been there, we just have not had the right prices to kind of thrust it upon us.

I think we are coming to a time when we are going to be able to have a single passenger vehicle that has the speed to pick up and the distance so that we will be able to do that. We are going to have to look at—there is a mix there. Obviously, you want to encourage people to use creative technology, without starving yourself. But I think you are going to have to look at the same type of user fee down the road for some of these emerging technologies as they come on line. I think that is why it is very important that there is some focus on the Federal level on some research in this area as far as how we make that transition. It is going to be a thin line between getting people excited about using fuel cells versus looking at what our trust fund balance is.

Mr. BORSKI. Thank you all very much.

Mr. JOHNSON [ASSUMING CHAIR]. I have a couple of questions to address to various of you and then a brief comment. Feel free to keep your comments very, very brief, since we are at the end of the day now.

Mayor Barr, I have two questions for you. First of all, can you give us some examples of the economic impact of transportation investment in your community and what happens when that investment is not made? Secondly, I would like examples of how your city transportation system is utilizing intelligent transportation systems. Feel free to keep those very brief. I am sure you have addressed some of them before.

Mr. BARR. First of all, I think the most visible project in our area has to be the Trinity Railway Express Line that ties downtown Dallas and downtown Fort Worth together. This project opened last

fall and is running more than 30 percent ahead of projections. I think the last number I saw was that it was taking approximately 10,000 trips a day off extremely congested roadways. We will eventually tie that in to DFW Airport, and that will be an enormous step forward for us.

In Fort Worth, we have been working on redeveloping central corridors within the city. We are like so many cities, we have moved out to the suburbs. We are rebuilding our corridors in the cities. Transportation enhancement funds have been very helpful in that process.

All of the newer roadways that have been built or upgraded recently have television systems built into them, roadway monitoring equipment. We are just learning how to use it, but I can tell you that the signage and things like that that indicate where the bottlenecks are is very much moving us forward.

In the city of Fort Worth, we recently put the TxDOT cameras on our city cable television and we are making that information available to our residents during specific rush hour times in the morning. It is very helpful.

Mr. JOHNSON. Thank you, sir.

Ms. Greyson, I think everybody recognizes that both politically and substantively congestion in major cities and suburbs is a huge issue, even some of the outlying areas. What do you believe are the most effective transportation measures available to address those problems?

Ms. GREYSON. Well, certainly the ITS Program helps us manage our highways more efficiently and more effectively. Dallas has a full range of ITS programs in place. The fact that you can manage congestion using different modes is extremely helpful. We have a very active passenger rail program in the Dallas area. That, combined with the road building, helps manage our congestion. We are trying to be truly multimodal and intermodal. That helps us manage our congestion. But we need the funding to be able to do that.

Mr. JOHNSON. Mr. Hart, the last question is for you.

How does the availability of the Federal aid highway funding specifically affect the ability of States, cities, and counties to bond and secure credit?

Mr. HART. You will find actually as many differences as you will find differences in States and communities. I know earlier we talked a little about the Garvey bond. I think the key to all this is flexibility. As we see the challenges of transportation, you cannot address the challenges without addressing the changes in populations and where people are deciding to live, and whether transportation leads or follows. So you have to have the ability to make decisions on how to fund what you need. That is a key part of that.

Mr. JOHNSON. Actually, I was prepared not to ask specific questions, but to simply make a comment. With the permission of the committee, I will do that.

I know that the issue of the impact of ethanol on our highway trust fund revenues has been addressed. I feel compelled to comment on ethanol and specifically to emphasize my very, very strong support for the use of ethanol and renewable fuels. I believe it is critically important that we do everything necessary to promote and expand the use of those renewable fuels, specifically ethanol.

I believe as we move forward in addressing transportation funding, we have to be careful to do so in a way that does not in any way hinder the development of renewable sources of energy.

I hand back the gavel—which I am very unaccustomed to—and I appreciate your letting me have my 2 minutes in the sun, here.

Thank you, ladies and gentlemen.

Mr. PETRI [RESUMING CHAIR]. I apologize. We had a delegation meeting. I thank you very much for coming and offering the testimony. It will be part of the written record and we will be reviewing it with staff as we go forward.

Mr. Borski, did you have any more questions?

Mr. BORSKI. No, Mr. Chairman.

Mr. PETRI. In that case, this hearing is adjourned.

[Whereupon, at 12:10 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

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Testimony of The Honorable Kenneth L. Barr

Mayor of Fort Worth

on behalf of the U.S. Conference of Mayors

before the Subcommittee on Highways & Transit

House Committee on Transportation & Infrastructure

on Perspectives of Governors and Local Elected Officials on

Reauthorization of TEA-21

February 28, 2002

Testimony of The Honorable Kenneth L. Barr
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February 28, 2002

Representative Thomas Petri (WI), Chairman

Mr. Chairman and Members of the Subcommittee, I am Kenneth Barr, Mayor of Fort Worth, Texas. I appear today on behalf of The U.S. Conference of Mayors where I serve as Chair of the organization's Transportation Committee. The Conference of Mayors represents more than 1,050 cities with a population of more than 30,000.

Mr. Chairman, I want to thank you and other Members of this panel for holding these hearings today, as we approach reauthorization of "Transportation Equity Act for the 21st Century" or TEA-21.

Overview

When Boise Mayor H. Brent Coles, the Conference's Immediate Past President, testified before the full Senate Environment and Public Works last month, his statement highlighted a number of issues pertaining to the economic importance of cities in the reauthorization of TEA-21. I speak to these issues and others in more detail in my testimony.

As a starting point, I want to emphasize a statement by Mayor Coles, which captures the Conference's broader view on TEA-21 reauthorization. He said, "TEA-21 certainly provides the tools and the laboratory, but it doesn't guarantee success. This is up to

mayors and other local elected officials working with citizens, the governors and state transportation officials to use the tools you have provided."

We commend this Committee and others in Congress and the Administration, for providing us with the opportunity under TEA-21 to meet our surface transportation challenges. Mr. Chairman, I know that in your capacity as Representative of Wisconsin, you are known for your efforts to apply innovative solutions to problems. TEA-21 is that innovative problem solving tool that has improved the quality of life for millions of citizens both in large cities and rural towns across America. Transportation touches every aspect of our modern lives. We thank you for your leadership in this area.

I am here to provide context for our views on where we are today with the reauthorization of TEA-21. Many of the issues highlight the importance of cities to the success of the TEA-21 reauthorization partnership.

Mr. Chairman, we commend this Committee, and the work by others in Congress and the Administration, for providing us with the opportunity under TEA-21 for success in meeting the challenges before us in surface transportation.

New Ideas Influencing TEA-21 Reauthorization Decisions

I would like to call your attention to several emerging issues that have considerable bearing on the Committee's review of TEA-21 reauthorization.

First, let me talk about the Conference's work on developing information on the role of city/county metro economies in fueling U.S. economic growth. Since 1999, we have released annual data, prepared by Standard & Poor's DRI, which measures the Gross Metropolitan Product (GMP) figures for the nation's city/county metro areas.

As the focal points of economic activity, metropolitan areas are vital to the nation's continued economic development. The contribution of metro areas to the national

economy has increased over the last decade, a trend that is expected to continue over the next twenty-five years.

If they were counted as a single country, the gross product of the five largest U.S. metropolitan areas ($1.59 trillion) would rank fourth among the world's economies, trailing only the U.S ($9.96 trillion), Japan ($4.6 trillion) and Germany ($1.87 trillion). The importance of metro area economies can also be illustrated by their size relative to the output of U.S. states. The gross product of the 10 largest metro areas exceeds the combined output of the 31 states. In the study, we found that 47 of the top 100 economies in the world are U.S. city/county metro areas.

To give you a local perspective, Fort Worth/Dallas metropolitan product is larger than Greece, New Zealand, Iraq, and Vietnam combined. Between 1990 and 2000, City/County metro economies contributed 86% or more than $3.6 trillion of the growth in the nation's economy.

The correlation between continued national economic growth and urban transportation investment is clear. Strengthening that correlation is that the fastest growing segments of the U.S. economy, including business services and high-tech are almost entirely located within metro areas. In addition, over the past decade, the majority of new jobs in the financial services and transportation and utilities sectors have been created in our metro areas. Continued economic growth requires strong transportation investment in cities. Our cities have embraced transportation choice provided by ISTEA and TEA-21.

The size of metro area economies illustrates their importance to the nation. Mr. Chairman, the implications of this information for federal and state policy-makers are far-reaching. There is no doubt in my mind that the resources provided by ISTEA and TEA-21 has played a significant role in the economic vitality of cities and metro regions. The Conference stands ready to work with you and this Committee as you craft the reauthorization of TEA-21.

I have attached a summary of the U.S. Metro Economies report to illustrate the point.

Mayors' Views of TEA-21 Reauthorization

ISTEA and TEA-21 success stories are many. The Congestion Mitigation and Air Quality Improvement Program (CMAQ) has spurred innovative projects in cities across the nation to improve air quality by significantly reducing harmful emissions. In Fort Worth, we were able to use a combination of CMAQ and Surface Transportation Program funds provided by the North Central Texas Council of Governments to promote mixed-use development projects along four key corridors of the city. Approximately $5 million was awarded to fund pedestrian-oriented transportation improvements that enhance the quality of life for local residents. The successful Transportation Enhancements program has created new bicycle facilities and has promoted community-based transportation initiatives.

The Job Access and Reverse Commute program is more important than ever with the Bush Administration proposing revisions to the 1996 law that overhauled the welfare system, by increasing work requirements on people who get government assistance. The Job Access and Reverse Commute program has given cities the resources to provide low-income workers better access to metro-wide employment centers.

The Transportation and Community and System Preservation Pilot Project (TCSP) encourages cities to make new linkages between land use and transportation. Just south of San Francisco in Redwood City, San Mateo County launched an innovative program to provide transportation funds as a reward to local jurisdictions that build new housing in walkable neighborhoods close to jobs. This is one of hundreds of examples of cities utilizing TCSP to develop land use and transit oriented development projects.

ISTEA and TEA-21 has strengthened the connections between transportation and other federal laws, such as the Clean Air Act and Clean Water Act. Cities have enjoyed the fruits of ISTEA and TEA-21; yet, despite this progress there are still areas of concern.

Mr. Chairman, The U.S Conference of Mayors surveyed a group of mayors to solicit their general views on how the TEA-21 is working. Let me provide a quick review of the responses from 40 mayors who completed the survey.

Nearly one-half of the mayors indicated that under TEA-21, their state had committed additional funding or planned to commit additional funds to local projects of particular priority to the city or region. When we asked if their metropolitan planning organizations (MPOs) had set any targets for fair share funding under TEA-21, one-half of the respondents said yes.

Based on the survey, it appears that states are reaching out to local governments under TEA-21. Seventy percent (70 percent) of the respondents indicated that their governors or state transportation officials had contacted them about new funding available under TEA-21. However, only 40 percent of mayors have been asked to participate in a state process to decide funding priorities for TEA-21 dollars.

When asked to indicate the single most important surface transportation priority in their city or region, the mayors' top three responses were System Preservation at 35 percent, Congestion Relief at 20 percent and New Rail Projects at 15 percent. The remaining 30 percent of the responses included alternative transportation, new freeways, freeway expansion, and transportation access to brownfield sites, safety, bridge repair and major road widening.

The area of concern highlighted by the survey of 40 mayors is that often we are not at the state table when funding priorities are finalized. Let me turn to a local example from the ISTEA period to make the point more clearly. It is about air quality and Congestion Mitigation and Air Quality (CMAQ) funding.

Congress had wisely provided states with investment dollars for clean air needs in local areas, through ISTEA's CMAQ program. Here Congress provided the tools, both spending authority and actual obligation authority, to address a national problem that

affects my region and many others throughout the U.S. While serving as a member of the MPO, we funded a whole set of air quality projects, and we did it with an open accounting system in full disclosure to the public.

To preserve state flexibility, Congress chose not to suballocate the funds to local areas as the STP program does, leaving decisions to the states on how much actual money would be obligated and where funds would be provided to projects in "non-attainment" and "maintenance" areas within the state.

During ISTEA, the Fort Worth-Dallas region was redesignated under the Clean Air Act, from moderate non-attainment to serious non-attainment for ozone. At the same time and in other places, several larger metro areas were being reclassified into more serious categories. Here in Washington, U.S. EPA was finalizing new clean air rules, setting more restrictive standards for ozone and particulate matter.

It was not until the ISTEA period was ending that I learned the State of Texas had unused spending authority for CMAQ. It turns out that, over the six-year life of the Act, we now know, according to U.S. DOT, that the State of Texas had more than $213 million in unobligated apportionments for CMAQ projects in my area and others with clean air problems.

Mr. Chairman, as I indicated previously in this testimony, a theme for the Conference of Mayors over the past three years has been the importance of city/county metro areas in driving the U.S. economy. But, there are side effects that come with the incredible performance of these metro economic engines, such as threats to air quality. In my region, where nearly two percent of the nation's population resides, we are challenged by air quality problems. This explains our intense interest in the subject of CMAQ funding.

TEA-21 is the largest single public works investment program in the nation's history. Mr. Chairman, too often state agencies view TEA-21 as simply state resources. Effective revenue forecast process with the MPOs is about building our investment plans cooperatively, with complete disclosure about where and when TEA-21 resources will be available.

Mr. Chairman, the one point that I want more than all for you to leave with is when you consider the very impressive economic performance of my region, and the importance of transportation investment in fueling our nation's metro economic engines and their contribution to U.S. economic growth, you can understand why it is so important that we are at the funding decision and priority table. As regional leaders, we work hard to make strategic investments to stimulate economic growth, and being part of this funding and priority process is vital to our decision-making.

Closing Comments

Mr. Chairman, let me make some closing comments.

The issues I have discussed today affect all of our cities. Our cities as neighborhoods -- protecting quality of life -- and our cities as regions -- competing in a world economy -- transportation funds are the tools to carryout our responsibilities within the regional context. In our region, adequate funding and decision priorities continue to hamper our potential success. With TEA-21 reauthorization, you have the opportunity to permit us to respond better to both our responsibility to enhance quality of life and increase competitiveness in a world economy.

Now, Mr. Chairman, the funding shortfall in the President's 2003 highway program is $8.6 billion, or 27 percent. The impact of such a cut will be devastating to state and local transportation programs and the economy. A cut of this magnitude would result in the loss of hundreds of jobs and a disruption of developed long-term transportation plans. Furthermore, it is my understanding that the financial health of transportation programs across the nation will be in jeopardy as credit and bond financing may be at risk. The U.S. Conference of Mayors supports the Highway Funding Restoration Act that would increase the budget to the authorized TEA-21 level of $27.7 billion.

I want to underscore that the nation's mayors believe in the TEA-21 partnership, and want to build upon this success, today, in regards to the FY 03 budget shortfall and tomorrow with the reauthorization. Mr. Chairman, as you move forward on these issues,

you can count on the mayors' active participation and support. Thank you for this opportunity to present our views.

□

Top 100 U.S. Metro Economies

RANKING (2000)

GROSS METROPOLITAN PRODUCT (GMP), US$ BILLIONS

THE UNITED STATES CONFERENCE OF MAYORS

Rank	U.S. City/County Metro Areas	GMP 2000	Rank	U.S. City/County Metro Areas	GMP 2000
1	New York, NY	437.8	51	Greensboro-W-Salem-High Point,NC	46.3
2	Los Angeles-L Beach, CA	363.7	52	Rochester, NY	45.7
3	Chicago, IL	332.8	53	Richmond-Petersburg, VA	45.7
4	Boston, MA	238.8	54	Nashville, TN	45.2
5	Washington, DC-MD-VA-WV	217.0	55	Raleigh-Durham-Chapel Hill, NC	44.3
6	Philadelphia, PA-NJ	182.4	56	Jacksonville, FL	43.0
7	Houston, TX	177.5	57	Gr Rapids-Muskegon-Holland, MI	42.3
8	Atlanta, GA	164.2	58	Memphis, TN-AR-MS	38.9
9	Dallas, TX	160.0	59	Louisville, KY-IN	38.7
10	Detroit, MI	156.3	60	Albany-Schenectady-Troy, NY	37.8
11	Orange Co, CA	130.0	61	W Palm Beach-Boca Raton, FL	33.2
12	Minneapolis-St. Paul, MN-WI	121.3	62	Honolulu, HI	33.0
13	Seattle-Bellevue-Everett, WA	115.0	63	Monmouth-Ocean, NJ	33.0
14	Phoenix-Mesa, AZ	114.2	64	Providence-Warwick, RI	32.5
15	San Francisco, CA	107.3	65	Oklahoma City, OK	32.3
16	Nassau-Suffolk, NY	106.8	66	Birmingham, AL	32.0
17	San Diego, CA	104.6	67	Wilmington-Newark, DE	31.4
18	Newark, NJ	96.3	68	Dayton-Springfield, OH	31.2
19	Baltimore, MD	96.2	69	Manchester-Nashua, NH	30.2
20	Oakland, CA	92.1	70	Syracuse, NY	30.1
21	Denver, CO	91.1	71	Greenville-Spartanburg-Anderson, SC	29.9
22	St. Louis, MO-IL	89.6	72	Jersey City, NJ	28.1
23	San Jose, CA	85.4	73	Harrisburg-Lebanon-Carlisle, PA	27.1
24	Riverside-San Bernardino, CA	84.1	74	Fresno, CA	26.3
25	Tampa-St. Petersburg-Clrwater, FL	82.2	75	Omaha, NE-IA	26.2
26	Cleveland-Lorain-Elyria, OH	80.8	76	Tulsa, OK	25.7
27	Pittsburgh, PA	80.7	77	Albuquerque, NM	25.6
28	New Haven-BrPt-Stamford-Danbury-Waterbury, CT	76.8	78	Ventura, CA	24.5
29	Miami, FL	71.6	79	Tucson, AZ	22.9
30	Portland-Vancouver, OR-WA	71.5	80	Akron, OH	21.9
31	Kansas City, MO-KS	64.8	81	Knoxville, TN	21.5
32	Hartford, CT	64.3	82	Toledo, OH	21.2
33	Middlesex-Somerset-Hunterdon, NJ	63.6	83	Springfield, MA	20.9
34	Sacramento, CA	63.1	84	Allentown-Bethlehem-Easton, PA	20.6
35	Fort Worth-Arlington, TX	63.0	85	Scranton-Wilkes-Barre-Hazelton, PA	20.6
36	Charlotte-Gastonia-Rock Hill, NC-SC	61.3	86	Santa Rosa, CA	20.5
37	Columbus, OH	60.7	87	Baton Rouge, LA	20.4
38	Orlando, FL	59.5	88	Des Moines, IA	19.1
39	Cincinnati, OH-KY-IN	59.4	89	Ann Arbor, MI	19.1
40	Bergen-Passaic, NJ	59.3	90	Columbia, SC	19.1
41	Indianapolis, IN	57.7	91	Tacoma, WA	19.0
42	Milwaukee-Waukesha, WI	54.8	92	Bakersfield, CA	18.9
43	Las Vegas, NV-AZ	54.6	93	Fort Wayne, IN	18.6
44	San Antonio, TX	53.7	94	El Paso, TX	18.6
45	Norfolk-Virginia Beach-Newport News, VA-NC	51.7	95	Trenton, NJ	18.5
46	Austin-San Marcos, TX	48.2	96	Little Rock-North Little Rock, AR	18.4
47	Buffalo-Niagara Falls, NY	47.8	97	Madison, WI	18.4
48	Fort Lauderdale, FL	46.7	98	Lafayette, LA	18.2
49	New Orleans, LA	46.5	99	Lexington, KY	17.8
50	Salt Lake City-Ogden, UT	46.4	100	Colorado Springs, CO	17.6

*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

If U.S. City/County Metro Economies Were Nations

World Rankings on Gross Domestic and Metropolitan Product
2000 (U.S. Billions, Current)

THE UNITED STATES CONFERENCE OF MAYORS

Rank	Nation or Metro Area	GP 2000	Rank	Nation or Metro Area	GP 2000	Rank	Nation or Metro Area	GP 2000	Rank	Nation or Metro Area	GP 2000
1	United States	9,963.00	44	Finland	118.00	87	Cincinnati, OH-KY-IN	59.40	130	Syracuse, NY	30.10
2	Japan	4,614.00	45	Seattle-Bellevue-Everett, WA	115.00	88	Bergen-Passaic, NJ	59.30	131	Greenville-Spartanburg-Anderson, SC	29.90
3	Germany	1,873.00	46	Phoenix-Mesa, AZ	114.20	89	Indianapolis, IN	57.70	132	Jersey City, NJ	28.10
4	United Kingdom	1,410.00	47	Greece	110.90	90	Nigeria	54.90	133	Harrisburg-Lebanon-Carlisle, PA	27.10
5	France	1,286.00	48	Israel	108.00	91	Milwaukee-Waukesha, WI	54.80	134	Fresno, CA	26.30
6	China	1,104.00	49	SanFrancisco, CA	107.30	92	Las Vegas, NV-AZ	54.60	135	Omaha, NE-IA	26.20
7	Italy	1,074.00	50	Nassau-Suffolk, NY	106.80	93	San Antonio, TX	53.70	136	Tulsa, OK	25.70
8	Canada	699.00	51	San Diego, CA	104.60	94	Algeria	52.80	137	Albuquerque, NM	25.60
9	Brazil	665.00	52	Venezuela	102.90	95	New Zealand	52.10	138	Iraq	25.50
10	Mexico	578.00	53	Portugal	100.50	96	Norfolk-Virginia Beach-Newport News, VA-NC	51.70	139	Ventura, CA	24.50
11	Spain	557.00	54	Newark, NJ	96.30	97	Czech	50.80	140	Tucson, AZ	22.90
12	India	510.00	55	Baltimore, MD	96.20	98	Austin-San Marcos, TX	48.20	141	Akron, OH	21.90
13	Korea, South	460.00	56	Ireland	95.10	99	Buffalo-Niagara Falls, NY	47.80	142	Knoxville, TN	21.50
14	New York, NY	437.80	57	Singapore	93.70	100	Hungary	47.40	143	Toledo, OH	21.20
15	Australia	426.00	58	Oakland, CA	92.10	101	Fort Lauderdale, FL	46.70	144	Springfield, MA	20.90
16	Los Angeles-Long Beach, CA	363.70	59	Egypt	91.50	102	New Orleans, LA	46.50	145	Allentown-Bethleham-Easton, PA	20.60
17	Netherlands	360.00	60	Denver, CO	91.10	103	Salt Lake City-Ogden, UT	46.40	146	Scranton-Wilkes-Barre-Hazelton, PA	20.60
18	Chicago, IL	332.80	61	Colombia	90.00	104	Greensboro-Winston-Salem-HighPoint, NC	46.30	147	Santa Rosa, CA	20.50
19	Taiwan	323.00	62	St. Louis, MO-IL	89.60	105	Rochester, NY	45.70	148	Uruguay	20.49
20	Argentina	284.00	63	Malaysia	88.80	106	Richmond-Petersburg, VA	45.70	149	Baton Rouge, LA	20.40
21	Russia	247.00	64	SanJose, CA	85.40	107	Nashville, TN	45.20	150	Slovakia	20.20
22	Switzerland	241.30	65	Riverside-San Bernardino, CA	84.10	108	Raleigh-Durham-Chapel Hill, NC	44.30	151	Tunisia	19.96
23	Boston, MA	238.80	66	Tampa-StPetersb-Clrwater, FL	82.20	109	Jacksonville, FL	43.00	152	Dominican Republic	19.67
24	Belgium	227.00	67	Cleveland-Lorain-Elyria, OH	80.80	110	GrRapids-Muskegon-Holland, MI	42.30	153	Des Moines, IA	19.10
25	Sweden	224.10	68	Pittsburgh, PA	80.70	111	Memphis, TN-AR-MS	38.90	154	Ann Arbor, MI	19.10
26	Turkey	217.60	69	Philippines	78.00	112	Louisville, KY-IN	38.70	155	Columbia, SC	19.10
27	Washington, DC-MD-VA-WV	217.00	70	New Haven-BrPt-Stamford-Danbury-Waterbury, CT	76.80	113	Bangladesh	38.50	156	Guatemala	19.05
28	Austria	184.90	71	Chile	73.00	114	Kuwait	38.05	157	Tacoma, WA	19.00
29	Philadelphia, PA-NJ	182.40	72	Miami, FL	71.60	115	Albany-Schenectady-Troy, NY	37.80	158	Croatia (Hrvatska)	19.00
30	Houston, TX	177.50	73	Portland-Vancouver, OR-WA	71.50	116	Syria	35.53	159	Bakersfield, CA	18.90
31	Hong Kong	164.60	74	Iran	67.10	117	Morocco	34.80	160	Oman	18.82
32	Atlanta, GA	164.20	75	Puerto Rico	65.30	118	West Palm Beach-Boca Raton, FL	33.20	161	Fort Wayne, IN	18.60
33	Norway	164.00	76	Kansas City, MO-KS	64.80	119	Honolulu, HI	33.00	162	El Paso, TX	18.60
34	Poland	163.00	77	Hartford, CT	64.30	120	Monmouth-Ocean, NJ	33.00	163	Trenton, NJ	18.50
35	Dallas, TX	160.00	78	Middlesex-Somerset-Hunterdon, NJ	63.60	121	Romania	33.00	164	Slovenia	18.47
36	Denmark	158.00	79	Sacramento, CA	63.10	122	Providence-Warwick, RI	32.50	165	Little Rock-North Little Rock, AR	18.40
37	Detroit, MI	156.30	80	Fort Worth-Arlington, TX	63.00	123	Oklahoma City, OK	32.30	166	Madison, WI	18.40
38	Indonesia	147.60	81	Pakistan	62.70	124	Birmingham, AL	32.00	167	Lafayette, LA	18.20
39	Saudi Arabia	145.30	82	Peru	62.70	125	Ukraine	31.70	168	Kazakhstan	18.20
40	South Africa	132.30	83	Charlotte-Gastonia-Rock Hill, NC-SC	61.30	126	Wilmington-Newark, DE	31.40	169	Luxembourg	18.10
41	Orange County, CA	130.00	84	Columbus, OH	60.70	127	Dayton-Springfield, OH	31.20	170	Lexington, KY	17.80
42	Thailand	128.20	85	United Arab	60.70	128	Vietnam	30.60	171	Colorado Springs, CO	17.60
43	Minneapolis-St. Paul, MN-WI	121.30	86	Orlando, FL	59.50	129	Manchester-Nashua, NH	30.20	172	Wichita, KS	17.50

City/County Metro Areas Nations

Source: DRI • WEFA

Top Percentage Growth Rates for U.S. City/County Metro Economies

Ranking Based on Growth Rate of Gross Metropolitan Product (GMP) 1990-2000 (U.S. Billions, Current)

THE UNITED STATES CONFERENCE OF MAYORS

Rank	Metro Area	1990	2000	% Change
1	Las Vegas, NV-AZ	20.5	54.6	166.3
2	Austin-San Marcos, TX	18.8	48.2	156.4
3	Laredo, TX	2.7	6.6	144.4
4	Provo-Orem, UT	3.4	8.3	144.1
5	Boise City, ID	5.9	14.4	144.1
6	Phoenix-Mesa, AZ	47.3	114.2	141.4
7	Colorado Springs, CO	7.3	17.6	141.1
8	Myrtle Beach, SC	2.9	6.9	137.9
9	Fort Collins-Loveland, CO	3.5	8.3	137.1
10	Greeley, CO	2.2	5.2	136.4
11	Yolo, CA	3.9	8.9	128.2
12	Albuquerque, NM	11.3	25.6	126.5
13	Yuma, AZ	1.2	2.7	125.0
14	Corvallis, OR	1.2	2.7	125.0
15	Atlanta, GA	73.4	164.2	123.7
16	Grand Junction, CO	1.7	3.8	123.5
17	Sioux Falls, SD	3.6	8.0	122.2
18	Boulder-Longmont, CO	5.4	12.0	122.2
19	Salt Lake City-Ogden, UT	21.1	46.4	119.9
20	Fayetteville-Springdale-Rogers, AR	4.1	9.0	119.5
21	Denver, CO	41.8	91.1	117.9
22	Santa Rosa, CA	9.5	20.5	115.8
23	Raleigh-Durham-Chapel Hill, NC	20.7	44.3	114.0
24	Wilmington, NC	3.6	7.7	113.9
25	Green Bay, WI	4.7	10.0	112.8
26	Naples, FL	3.2	6.8	112.5
27	McAllen-Edinburg-Mission, TX	5.1	10.8	111.8
28	Orlando, FL	28.2	59.5	111.0
29	Jackson, TN	1.9	4.0	110.5
30	Pueblo, CO	2.0	4.2	110.0
31	Portland-Vancouver, OR-WA	34.1	71.5	109.7
32	Charlotte-Gastonia-Rock Hill, NC-SC	29.3	61.3	109.2
33	Killeen-Temple, TX	3.5	7.3	108.6
34	Tucson, AZ	11.0	22.9	108.2
35	San Antonio, TX	25.8	53.7	108.1
36	Nashville, TN	21.9	45.2	106.4
37	Dallas, TX	77.6	160.0	106.2
38	San Luis Obispo-Atascadero-Paso Robles, CA	4.9	10.1	106.1
39	Santa Fe, NM	2.2	4.5	104.5
40	Clarksville-Hopkinsville, TN-KY	2.2	4.5	104.5
41	Manchester-Nashua, NH	14.8	30.2	104.1
42	Medford-Ashford, OR	2.5	5.1	104.0
43	Bryan-College Station, TX	2.6	5.3	103.8
44	Ocala, FL	2.9	5.9	103.4
45	Salem, OR	4.9	9.9	102.0
46	Fort Worth-Arlington, TX	31.4	63.0	100.6
47	Athens, GA	2.7	5.4	100.0
48	Bloomington-Normal, IL	4.1	8.2	100.0
49	Columbia, MO	2.5	5.0	100.0
50	Springfield, MO	5.4	10.8	100.0
51	Las Cruces, NM	1.8	3.6	100.0
52	Eugene-Springfield, OR	5.2	10.4	100.0
53	Rapid City, SD	1.5	3.0	100.0
54	Bellingham, WA	2.7	5.4	100.0
55	Reno, NV	7.4	14.7	98.6
56	Grand Rapids-Muskegon-Holland, MI	21.4	42.3	97.7
57	Brownsville-Harlingen-San Benito, TX	3.8	7.5	97.4
58	Tampa-St. Petersburg-Clearwater, FL	41.7	82.2	97.1
59	Merced, CA	3.1	6.1	96.8
60	Sarasota-Bradenton, FL	8.6	16.9	96.5
61	Joplin, MO	2.8	5.5	96.4
62	Jacksonville, FL	21.9	43.0	96.3
63	Fort Walton Beach, FL	2.6	5.1	96.2
64	Columbus, GA-AL	5.0	9.8	96.0
65	Biloxi-Gulfport-Pascagoula, MS	4.8	9.4	95.8
66	Waco, TX	4.0	7.8	95.0
67	Victoria, TX	1.7	3.3	94.1
68	Olympia, WA	3.3	6.4	93.9
69	Knoxville, TN	11.1	21.5	93.7
70	St. Cloud, MN	3.1	6.0	93.5
71	Houston, TX	91.8	177.5	93.4
72	W Palm Beach-Boca Raton, FL	17.2	33.2	93.0
73	Lawrence, KS	1.4	2.7	92.9
74	Spokane, WA	8.0	15.4	92.5
75	Chico-Paradise, CA	3.9	7.5	92.3
76	Modesto, CA	7.8	15.0	92.3
77	Amarillo, TX	3.9	7.5	92.3
78	Eau Claire, WI	2.5	4.8	92.0
79	Wausau, WI	2.5	4.8	92.0
80	Jonesboro, AR	1.2	2.3	91.7
81	Wilmington-Newark, DE	16.4	31.4	91.5
82	Houma, LA	4.5	8.6	91.1
83	Hamilton-Middletown, OH	4.5	8.6	91.1
84	Greenville, NC	2.2	4.2	90.9
85	Fort Lauderdale, FL	24.5	46.7	90.6
86	Dover, DE	2.0	3.8	90.0
87	Pocatello, ID	1.0	1.9	90.0
88	Tacoma, WA	10.0	19.0	90.0
89	Lexington, KY	9.4	17.8	89.4
90	Riverside-San Bernardino, CA	44.5	84.1	89.0
91	Barnstable-Yarmouth, MA	3.6	6.8	88.9
92	Longview-Marshall, TX	4.5	8.5	88.9
93	Tyler, TX	3.6	6.8	88.9
94	Seattle-Bellevue-Everett, WA	60.9	115.0	88.6
95	Fort Myers-Cape Coral, FL	6.0	11.3	88.3
96	Kenosha, WI	1.7	3.2	88.2
97	Lincoln, NE	5.1	9.6	88.2
98	Memphis, TN-AR-MS	20.7	38.9	87.9
99	Fort Wayne, IN	9.9	18.6	87.9
100	Richland-Kennewick-Pasco, WA	3.3	6.2	87.9
101	Visalia-Tulare-Porterville, CA	5.6	10.5	87.5
102	Panama City, FL	2.4	4.5	87.5
103	Owensboro, KY	1.6	3.0	87.5
104	Hattiesburg, MS	1.6	3.0	87.5
105	Appleton-Oshkosh-Neenah, WI	7.2	13.5	87.5
106	La Crosse, WI-MN	2.4	4.5	87.5
107	Fargo-Moorhead, ND-MN	3.1	5.8	87.1
108	Middlesex-Somerset-Hunterdon, NJ	34.0	63.6	87.1
109	Minneapolis-St. Paul, MN-WI	64.9	121.3	86.9
110	Indianapolis, IN	30.9	57.7	86.7
111	Mobile, AL	7.5	14.0	86.7
112	Missoula, MT	1.5	2.8	86.7
113	Sumter, SC	1.5	2.8	86.7
114	Chattanooga, TN-GA	9.4	17.5	86.2
115	Jersey City, NJ	15.1	28.1	86.1
116	Omaha, NE-IA	14.1	26.2	85.8
117	Fort Smith, AR-OK	3.4	6.3	85.3
118	Greensboro-Winston-Salem-High Point,NC	25.0	46.3	85.2
119	Flagstaff, AZ-UT	2.0	3.7	85.0
120	San Angelo, TX	2.0	3.7	85.0
121	Macon, GA	6.5	12.0	84.6
122	Punta Gorda, FL	1.3	2.4	84.6
123	Iowa City, IA	1.9	3.5	84.2
124	El Paso, TX	10.1	18.6	84.2
125	Albany, GA	2.5	4.6	84.0
126	Madison, WI	10.0	18.4	84.0
127	Rochester, MN	2.9	5.3	82.8
128	Yakima, WA	3.4	6.2	82.4
129	Fayetteville, NC	3.9	7.1	82.1

Source: DRI • WEFA

Top Average Annual Growth Rates for U.S. City/County Metro Economies

THE UNITED STATES CONFERENCE OF MAYORS

Ranking by Average Annual Growth Rate in Gross Metropolitan Product (GMP) 1990-2000 (U.S. Billions, Current)

Rank	Metro Area	1990	2000	Avg. Annual % Change
1	Las Vegas, NV-AZ	20.5	54.6	10.3
2	Austin-San Marcos, TX	18.8	48.2	9.8
3	Boise City, ID	5.9	14.4	9.4
4	Laredo, TX	2.7	6.6	9.4
5	Phoenix-Mesa, AZ	47.3	114.2	9.2
6	Fort Collins-Loveland, CO	3.5	8.3	9.2
7	Provo-Orem, UT	3.4	8.3	9.2
8	Colorado Springs, CO	7.3	17.6	9.1
9	Greeley, CO	2.2	5.2	9.1
10	Myrtle Beach, SC	2.9	6.9	9.1
11	Yolo, CA	3.9	8.9	8.5
12	Grand Junction, CO	1.7	3.8	8.5
13	Albuquerque, NM	11.3	25.6	8.5
14	Atlanta, GA	73.4	164.2	8.4
15	Corvallis, OR	1.2	2.7	8.4
16	Boulder-Longmont, CO	5.4	12.0	8.3
17	Sioux Falls, SD	3.6	8.0	8.3
18	Salt Lake City-Ogden, UT	21.1	46.4	8.2
19	Fayetteville-Springdale-Rogers, AR	4.1	9.0	8.1
20	Denver, CO	41.8	91.1	8.1
21	Santa Rosa, CA	9.5	20.5	8.0
22	Yuma, AZ	1.2	2.7	7.9
23	Naples, FL	3.2	6.8	7.9
24	Raleigh-Durham-Chapel Hill, NC	20.7	44.3	7.9
25	Wilmington, NC	3.6	7.7	7.9
26	Orlando, FL	28.2	59.5	7.8
27	McAllen-Edinburg-Mission, TX	5.1	10.8	7.8
28	Green Bay, WI	4.7	10	7.8
29	Charlotte-Gastonia-Rock Hill, NC-SC	29.3	61.3	7.7
30	Portland-Vancouver, OR-WA	34.1	71.5	7.7
31	Jackson, TN	1.9	4.0	7.7
32	Tucson, AZ	11.0	22.9	7.6
33	San Antonio, TX	25.8	53.7	7.6
34	San Luis Obispo-Atascadero-Paso Robles, CA	4.9	10.1	7.5
35	Medford-Ashford, OR	2.5	5.1	7.5
36	Nashville, TN	21.9	45.2	7.5
37	Dallas, TX	77.6	160	7.5
38	Pueblo, CO	2.0	4.2	7.4
39	Manchester-Nashua, NH	14.8	30.2	7.4
40	Santa Fe, NM	2.2	4.5	7.4
41	Bryan-College Station, TX	2.6	5.3	7.4
42	Killeen-Temple, TX	3.5	7.3	7.4
43	Ocala, FL	2.9	5.9	7.3
44	Salem, OR	4.9	9.9	7.3
45	Clarksville-Hopkinsville, TN-KY	2.2	4.5	7.3
46	Fort Walton Beach, FL	2.6	5.1	7.2
47	Eugene-Springfield, OR	5.2	10.4	7.2
48	Fort Worth-Arlington, TX	31.4	63.0	7.2
49	Athens, GA	2.7	5.4	7.1
50	Bloomington-Normal, IL	4.1	8.2	7.1
51	Grand Rapids-Muskegon-Holland, MI	21.4	42.3	7.1
52	Biloxi-Gulfport-Pascagoula, MS	4.8	9.4	7.1
53	Springfield, MO	5.4	10.8	7.1
54	Reno, NV	7.4	14.7	7.1
55	Brownsville-Harlingen-San Benito, TX	3.8	7.5	7.1
56	Jacksonville, FL	21.9	43.0	7.0
57	Sarasota-Bradenton, FL	8.6	16.9	7.0
58	Tampa-St. Petersburg-Clearwater, FL	41.7	82.2	7.0
59	Pocatello, ID	1.0	1.9	7.0
60	Las Cruces, NM	1.8	3.6	7.0
61	Merced, CA	3.1	6.1	6.9
62	Columbus, GA-AL	5.0	9.8	6.9
63	Columbia, MO	2.5	5.0	6.9
64	Joplin, MO	2.8	5.5	6.9
65	Rapid City, SD	1.5	3.0	6.9
66	Bellingham, WA	2.7	5.4	6.9
67	Olympia, WA	3.3	6.4	6.9
68	Modesto, CA	7.8	15.0	6.8
69	West Palm Beach-Boca Raton, FL	17.2	33.2	6.8
70	Knoxville, TN	11.1	21.5	6.8
71	Houston, TX	91.8	177.5	6.8
72	Victoria, TX	1.7	3.3	6.8
73	Waco, TX	4.0	7.8	6.8
74	Spokane, WA	8.0	15.4	6.8
75	Eau Claire, WI	2.5	4.8	6.8
76	Flagstaff, AZ-UT	2.0	3.7	6.7
77	Wilmington-Newark, DE	16.4	31.4	6.7
78	Fort Lauderdale, FL	24.5	46.7	6.7
79	Lawrence, KS	1.4	2.7	6.7
80	Houma, LA	4.5	8.6	6.7
81	Barnstable-Yarmouth, MA	3.6	6.8	6.7
82	St. Cloud, MN	3.1	6.0	6.7
83	Missoula, MT	1.5	2.8	6.7
84	Amarillo, TX	3.9	7.5	6.7
85	Longview-Marshall, TX	4.5	8.5	6.7
86	Tyler, TX	3.6	6.8	6.7
87	Tacoma, WA	10.0	19.0	6.7
88	Wausau, WI	2.5	4.8	6.7
89	Chico-Paradise, CA	3.9	7.5	6.6
90	Riverside-San Bernardino, CA	44.5	84.1	6.6
91	Dover, DE	2.0	3.8	6.6
92	Lexington, KY	9.4	17.8	6.6
93	Lincoln, NE	5.1	9.6	6.6
94	Greenville, NC	2.2	4.2	6.6
95	Fargo-Moorhead, ND-MN	3.1	5.8	6.6
96	Hamilton-Middletown, OH	4.5	8.6	6.6
97	Seattle-Bellevue-Everett, WA	60.9	115	6.6
98	Fort Smith, AR-OK	3.4	6.3	6.5
99	Jonesboro, AR	1.2	2.3	6.5
100	Visalia-Tulare-Porterville, CA	5.6	10.5	6.5
101	Fort Myers-Cape Coral, FL	6.0	11.3	6.5
102	Fort Wayne, IN	9.9	18.6	6.5
103	Indianapolis, IN	30.9	57.7	6.5
104	Minneapolis-St. Paul, MN-WI	64.9	121.3	6.5
105	Middlesex-Somerset-Hunterdon, NJ	34.0	63.6	6.5
106	Memphis, TN-AR-MS	20.7	38.9	6.5
107	Richland-Kennewick-Pasco, WA	3.3	6.2	6.5
108	Kenosha, WI	1.7	3.2	6.5
109	La Crosse, WI-MN	2.4	4.5	6.5
110	Mobile, AL	7.5	14.0	6.4
111	Macon, GA	6.5	12.0	6.4
112	Iowa City, IA	1.9	3.5	6.4
113	Omaha, NE-IA	14.1	26.2	6.4
114	Jersey City, NJ	15.1	28.1	6.4
115	Greensboro-Winston-Salem-High Point,NC	25.0	46.3	6.4
116	Chattanooga, TN-GA	9.4	17.5	6.4
117	Appleton-Oshkosh-Neenah, WI	7.2	13.5	6.4
118	Panama City, FL	2.4	4.5	6.3
119	Rochester, MN	2.9	5.3	6.3
120	Hattiesburg, MS	1.6	3.0	6.3
121	Sumter, SC	1.5	2.8	6.3
122	El Paso, TX	10.1	18.6	6.3
123	Madison, WI	10.0	18.4	6.3
124	Sacramento, CA	34.7	63.1	6.2
125	Vallejo-Fairfield-Napa, CA	8.0	14.5	6.2
126	Punta Gorda, FL	1.3	2.4	6.2
127	Albany, GA	2.5	4.6	6.2
128	Fayetteville, NC	3.9	7.1	6.2
129	Jacksonville, NC	1.4	2.5	6.2

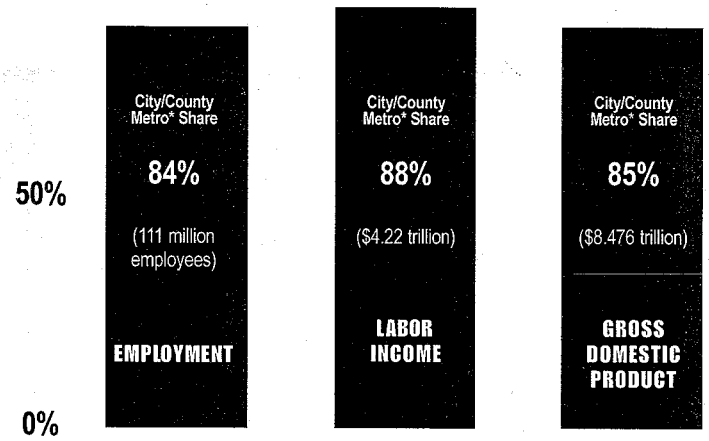
Source: DRI • WEFA

City/County Metros

ECONOMIC GAINS

Metro areas generate nearly 85% of the Nation's employment, income, and production of goods and services.

Shares of U.S. Economy — 2000



*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

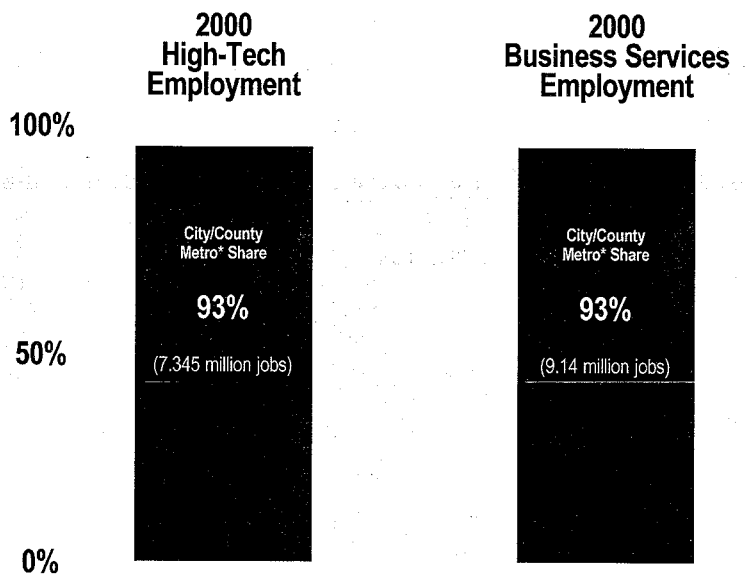
Source: DRI • WEFA

THE UNITED STATES CONFERENCE OF MAYORS

City/ County Metros

ECONOMIC GAINS

Two of the fastest growing segments of the U.S. economy, high-tech and business services, are almost entirely located within metro areas.



*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

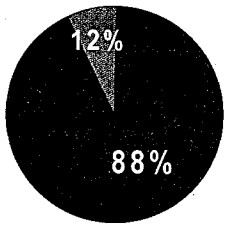
THE UNITED STATES CONFERENCE OF MAYORS

City/ County Metros

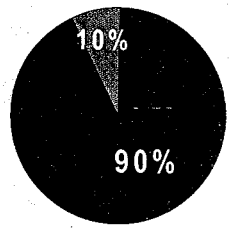
ECONOMIC GAINS

Over the past decade, the majority of new jobs in the financial services and transportation and utilites sectors have been created in metro areas.

Financial Services 1990 – 2000



Transportation & Utilities 1990 – 2000



*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

THE UNITED STATES CONFERENCE OF MAYORS

City/County Metros

GMP VS. GSP (2000)

The Gross Product of the ten largest City/County Metro areas* in the U.S. exceeds the combined output of the following 31 states.

Total Gross Metro Product $2.43 trillion		Total Gross State Product $2.39 trillion
New York, NY	>	Tennessee
Los Angeles-Long Beach, CA	is	Connecticut
Chicago, IL	greater	Colorado
Boston, MA	than	Arizona
Washington, DC-MD-VA-WV		Louisiana
Philadelphia, PA-NJ		Alabama
Houston, TX		Kentucky
Atlanta, GA		South Carolina
Dallas, TX		Oregon
Detroit, MI		Iowa
		Oklahoma
		Kansas
		Nevada
		Mississippi
		Arkansas
		Utah
		Nebraska
		New Mexico
		West Virginia
		New Hampshire
		Hawaii
		Delaware
		Maine
		Idaho
		Rhode Island
		Alaska
		South Dakota
		Montana
		Wyoming
		North Dakota
		Vermont

*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

City/ County Metros ECONOMIC GAINS

Between 1990 and 2000, City/County Metro* Economies contributed 86% or more than

$3.6 trillion

of the growth in the Nation's Economy

*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

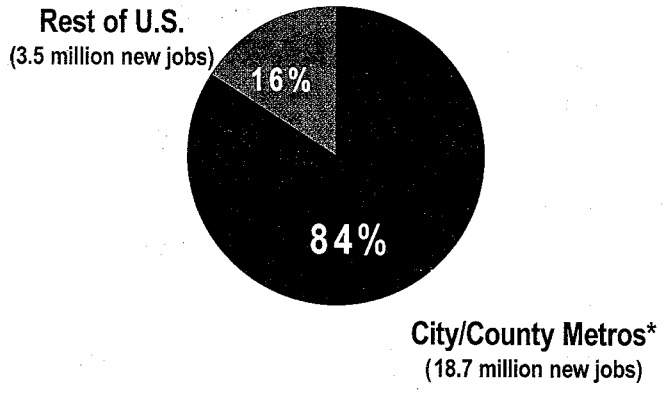
THE UNITED STATES CONFERENCE OF MAYORS

City/ County Metros

ECONOMIC GAINS

From 1990 to 2000, most of the economic gains made in the United States were generated within cities and counties in metro areas.

New Jobs Created Between 1990 and 2000



*City/County Metros are the 319 metropolitan areas defined by U.S.OMB.

Source: DRI • WEFA

Statement by Congressman Jerry F. Costello
Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
Hearing on Administration Perspectives of TEA-21
February 28, 2002

Mr. Chairman, thank you for calling today's hearing to discuss state and local official's perspectives on current issues affecting the reauthorization of TEA-21. I'd like to welcome today's witnesses.

I am pleased that since our last hearing on the reauthorization of TEA-21, this committee has come together to support H.R. 3694, which will restore some of the highway funds cut in the President's budget. Without the restoration of funds, state and local highway projects may be at risk. In addition, up to 361,000 jobs are at risk of being lost, at a time when our nation can ill-afford to lose these good paying jobs. In my home state of Illinois, it is estimated that $236 million would be cut, costing up to 10,000 jobs. This committee has acted quickly to respond to these cuts and I am confident that we can restore the federal highway funds to the TEA-21 authorized levels.

It is especially important to restore funding to the FHWA, so that as we work to reauthorize TEA-21 we have a strong baseline for the next bill. The President's budget is the lowest proposed budget for highway funding since FY98, which was prior to the enactment of TEA-21. With the passage of the TEA-21 legislation in May 1998, $218 billion has been authorized for highway and transit projects, which is a 43% increase over the previous six years. For the first time since the establishment of the Highway Trust Fund

in 1956, the money paid into the fund is tied to highway and transit spending.

In every state, surface transportation investment has been increased by more than 50% since the passage of TEA-21. In the Congressional District I represent, 19 projects totaling $48 million dollars were authorized by TEA-21. These projects have increased safety, eased congestion and expanded environmental friendly methods of transportation. The results seen in my district have been replicated nationwide to improve our highways, transit systems, and the economy.

Mr. Speaker, I look forward to today's hearing as we can learn from the administrative witnesses what is working and what might be improved in the next highway authorization bill.

To strengthen and promote cities as centers of opportunity, leadership, and governance.

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STATEMENT OF

THE HONORABLE SANDY GREYSON

CITY COUNCILMEMBER
DALLAS, TEXAS

on behalf of

THE NATIONAL LEAGUE OF CITIES

before the

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT of the
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U. S. HOUSE OF REPRESENTATIVES

on

PERSPECTIVES OF GOVERNORS AND LOCAL ELECTED
OFFICIALS ON REAUTHORIZATION OF TEA 21

February 28, 2002

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Recycled Paper

Thank you Chairman Petri, Ranking Member Borski, and members of the subcommittee for the opportunity to appear before you today to discuss such an important issue for the nation's cities. I am Sandy Greyson, City Councilmember, Dallas, Texas. Today I am pleased to be here not only as a Texan, but also as a representative of the National League of Cities.

The National League of Cities represents 18,000 cities and towns and over 140,000 local elected officials. NLC represents all cities regardless of size – our largest member is New York City with a population of 8 million, our smallest member is De Graff, Minnesota with a population of 149. As the representative of the nation's local leaders, NLC has a vital interest in the reauthorization of the Transportation Equity Act for the 21st Century (TEA 21).

I currently serve as Vice-Chair of NLC's Transportation Infrastructure and Services Committee, one of seven standing policy committees, which develop NLC's *National Municipal Policy*. Last year, the TIS committee appointed a special TEA 21 Reauthorization Task Force to examine TEA 21 issues and their impact on cities. I served as Chair of the Task Force, which recently completed the year-long rewrite of our surface transportation policy. In December, the new policy was adopted by NLC's full membership at our annual meeting.

NLC has joined a variety of groups representing local officials to comprise the Local Officials Transportation Working Group. The working group includes representatives of city and county elected officials, public works professionals, regional planning and development organizations, and city/county managers. The working group was created to provide a unified voice of local government for the reauthorization of TEA 21. We look forward to working with the Subcommittee and our other federal and state partners throughout the reauthorization process.

In addition to representing NLC today, I am here on behalf of my city of Dallas, Texas. With a population of 1.2 million, Dallas is the second largest city in Texas and part of the Dallas/Fort Worth Metroplex region of 5 million people. I have served on the Dallas City Council for five years and chair the Council's Transportation Committee. I have also served on the Dallas/Fort Worth Metropolitan Planning Organization (MPO) for six years and am currently treasurer of TEX-21, a statewide transportation coalition. In addition, I served for six years on the board of

Dallas Area Rapid Transit (DART), our regional transit authority. During that time, DART built 20 miles of light rail, 21 stations, and HOV lanes on three area expressways.

TEA 21 Successes

The title of today's hearing is "*Perspectives of Governors and Local Elected Officials on Reauthorization of TEA 21.*" As NLC's Task Force began discussing priorities for the next surface transportation bill, we agreed that local officials would like to build upon the successes of ISTEA and TEA 21. One of the major successes of these landmark laws was giving local officials fundamental responsibility for transportation decision-making.

The empowerment of Metropolitan Planning Organizations (MPOs) in ISTEA in 1991 created new partnerships among federal, state and local governments. MPOs ensure a more equal relationship between local and state governments in both the planning and funding decisions for transportation projects. This is a partnership that must be preserved and strengthened in the process of TEA 21 reauthorization. We must continue to ensure that all levels of government, no matter how small, play a part in the process.

In my city, the Dallas MPO has three critical areas of partnerships, which help define our decision-making: a partnership with the public, a partnership with all affected local jurisdictions, and a partnership with the state of Texas. I am most proud of our partnership with the public-at-large. It is critical for the customer to have confidence in a public involvement process that asks all interested parties to become involved in transportation planning and project selection on the ground floor. Our MPO holds nearly 30 public meetings, open houses, town hall meetings and listening sessions per year. Confidence is established with an open process for all users of the system.

Another great success of ISTEA and TEA 21 was the leveling of the playing field among the different modes of transportation to which the legislation allocates funding. The various modes— automobile, trucking, transit, rail, ferry, bicycle, and walking—were challenged to become truly intermodal. We began to pursue the vision of creating a seamless, uninterrupted

system to accommodate the need to efficiently and equitably serve our communities by transporting both people and goods.

In Dallas, we have an outstanding transit oriented, intermodal project called Mockingbird Station. This development features loft apartments and a retail and entertainment center located next to a light rail station, which is served by several bus routes and also contains a park and ride. The development is next to a major reconstructed expressway and will soon be connected to a major hiking and bicycle trail, the Katy Trail.

Budget issues

As we embark on the reauthorization process, we must take into account the current climate in Washington D.C. and the nation. These are tough economic times and, in the aftermath of September 11th, local officials are shifting priorities.

One of the greatest successes of TEA 21 was the establishment of a direct link between gasoline taxes collected at the pump and federal transportation spending. Because of that landmark change in law, funding for the program was increased to its highest levels in history. The Revenue Aligned Budget Authority (RABA) mechanism guaranteed that even additional, unanticipated gas tax revenue must be spent on the program. TEA 21 was a strong signal from Congress and the Administration to the traveling public that the nation's transportation system is an important priority.

Therefore, we find it very disturbing that the President's budget calls for a severe, nearly $9 billion, reduction in TEA 21 funding. The nation cannot afford to lose thousands of jobs by indefinite project postponements and possible cancellations if the program is so drastically cut.

In addition, states and localities develop long-range transportation plans while counting on a dedicated revenue stream that cannot be disrupted. The financial health of transportation programs in the nation's cities will be in jeopardy as credit and bond financing may be at risk.

In my state alone, it is estimated that Texas may lose over $560 million in vitally needed federal transportation dollars. In the Dallas area, four major projects that are slated for to be underway in FY2003 could be negatively impacted by the budget shortfall.

This week, NLC joined our local partners to issue a letter to Congress supporting the Highway Funding Restoration Act, H.R. 3694, which would increase funding by $4.5 billion to $27.7 billion in 2003 – the level authorized by TEA 21. The nation's local leaders would like to thank members of the Subcommittee and Chairman Young and Ranking Member Oberstar of the full Transportation and Infrastructure Committee for sponsoring this important legislation. We pledge to work with you to ensure its passage. In addition, we plan to work with the House and Senate appropriators to ask for at least 2002 level funding for the program in 2003.

Transportation Security

Following the tragic events of September 11th, the nation's local officials have been urgently reassessing priorities in their communities. In several NLC surveys of municipal officials conducted after September 11th, 52 percent were reevaluating their emergency preparedness plans. Respondents reported immediate shifts in city priorities to security issues, moving public safety personnel to protect transportation facilities, water supply facilities, nuclear power plants, schools, and government buildings.

The City of Dallas has spent approximately $3.2 million on heightened security following the events of September 11th. Most of the focus has been on providing additional security at city facilities, including water treatment plants and Love Field Airport. Also, for several weeks following September 11th, an additional police presence was deployed on downtown streets, particularly along drive approaches to the tallest buildings.

DART, our regional transit agency, has its own 150 member police force that patrols train stations, transit centers, bus stops, buses, light rail and commuter rail trains. Following September 11th, patrols were increased at key locations.

The NLC survey results also showed that fiscal conditions are worsening for many municipalities, with a 4 percent decline in revenue after September 11th and an over $11 billion decline nationwide. Forty-three percent of cities say they are "less able" to meet their financial responsibilities after September 11th. In my own city, we are facing a $19 million shortfall in sales tax revenue for fiscal year 2001/2002.

Cities nationwide are shifting valuable resources to public safety expenditures, with over half (51%) of the cities reporting they are increasing spending on public safety and security. The majority of cities surveyed reported they would reduce spending in other areas to meet the new public safety funding gap. This means cities may have to postpone or cancel some needed transportation projects to shift funding to security. Dallas has spent an additional $500,000 on police salaries and an additional $100,000 on fire department personnel overtime and HAZMAT equipment purchases.

We want to highlight this trend to underscore the need for protecting the valuable gains of TEA 21, while considering how transportation security issues could be part of the next reauthorization bill. The shifting of local revenue to a public safety related budget is unavoidable. The question becomes, what will be the role of the next federal surface transportation program in homeland security? Will the federal government be able to offer greater assistance to cities to meet their needs?

NLC's TIS committee will be working in conjunction with a newly created Working Group on Homeland Security to try to answer some of these important questions for TEA 21 reauthorization. NLC formed the Working Group in January to be a front line resource on homeland security to help better define the new role of local governments in national defense and what those new responsibilities require in terms of federal support, intergovernmental partnerships and local budgets. My city's former Acting Mayor Mary Poss and Dearborn, Michigan Mayor Michael Guido are leading the Working Group. We look forward to working with the Subcommittee to ensure our citizens are protected while using the nation's transportation network.

Local Priorities for TEA 21 Reauthorization

A recent survey of local officials conducted by Public Technology, Incorporated, a non-profit technology organization supporting local governments, found that:

- 62 percent of respondents (local officials) indicated that congestion is a major political issue in their community; and
- 64 percent of respondents claim that transportation has a significant impact in their community and on their citizens' quality of life.

NLC members identified congestion as a major concern when they created the TEA 21 Task Force to review NLC's surface transportation policy. The Task Force spent last year developing new policy priorities for the reauthorization of TEA 21. The themes of funding, flexibility, and intermodalism dominated the discussions about congestion and the future of the surface transportation system.

Funding

As previously mentioned, NLC supports the budgetary mechanisms developed in TEA 21 to directly link transportation user fees to transportation spending and protect Highway Trust Fund revenue from being used for non-transportation related purposes. We call for all transportation taxes, including those levied on gasohol and alternative fuels, to be deposited in the highway trust fund. To that end, we are supportive of the Highway Trust Fund Recovery Act, (H.R. 2808), cosponsored by Chairman Petri.

NLC supports the federal/state financial matching relationships that currently exist and opposes any reduction of the federal financial commitments. States and localities that want to provide greater financial resources than the minimum requirement, such as for a transit new start project, should receive higher priority for federal funding.

In addition, we support innovative financing programs and techniques such as tolls, State Infrastructure Banks (SIBs), and the Transportation Infrastructure Finance and Innovation Act (TIFIA). These programs support the development of public/private partnerships and provide creative ideas for meeting the infrastructure needs in our cities.

Flexibility

NLC supports local flexibility to design, manage, and operate cities' transportation systems. No "one size fits all" surface transportation program will be able to meet the needs of the traveling public in the diverse regions of the country. Local officials are on the front lines and therefore better able to develop strategies to deal with transportation challenges in their communities. ISTEA and TEA 21 embodied these themes and we look to the Subcommittee to continue this commitment through the reauthorization process.

Many programs in TEA 21 have supported localities' innovative solutions to congestion and gridlock. Whether a positive change in the system comes from an added lane on the highway, a new bus route, a bike path, a pedestrian walkway, a telecommuting program, or something as simple as better traffic signal timing, communities are thinking of new ways to increase quality of life by reducing daily commute times.

To continue to provide the most options to local governments, NLC supports the continuation of the Congestion Mitigation Air Quality program (CMAQ), Transportation Enhancements program, the Transportation and Community and System Preservation Pilot Program (TCSP), and the Intelligent Transportation System program. These programs have made a huge impact on localities and had a positive effect on quality of life.

A Transportation Enhancement project that Dallas is particularly excited about is one that I referred to earlier in my statement—the Katy Trail. The Katy Trail is a five mile, multi-modal trail (pedestrians, bicycles, in-line skaters) utilizing an abandoned rail line that runs through the heart of Dallas's urbanized near-north central district. It connects high density, multi-family housing developments with the City's central business district, providing easy non-motorized access to employment and entertainment centers.

In addition, NLC believes that to maintain economic viability, congestion relief programs must be available to cities and towns. A comprehensive, federal funding program to address congestion would foster project innovation, enhance intermodal planning, promote savings in

infrastructure investment, and increase the livability and economic viability of communities across the country. NLC urges the Subcommittee to consider the development of a congestion relief program that recognizes that congestion is a local issue and provides direct funding to cities and regions of all sizes to address related problems in their communities.

NLC believes that a congestion mitigation program may help alleviate future air quality issues in many areas. We recognize that many metropolitan areas are currently not in attainment under the Clean Air Act. In addition to a metropolitan congestion program, we remain strongly committed to a federal funding program, like CMAQ, for non-attainment areas to address emissions from mobile sources.

Additionally, NLC supports streamlining the federal transportation project delivery process to help reduce unnecessary delays in implementation, which will allow for more effective and efficient use of federal funds. We look forward to working with the Subcommittee and the Administration to achieve a positive change without harming the environment or sacrificing citizen participation in the process.

Intermodalism/Multi-Modalism

It is essential that the nation's transportation system be seamless, with complementary and supportive relationships amongst all modes. Both freight and passenger transportation should be facilitated by the right mix of multi-modal connectors, minimizing the disruption associated with movement through high density areas, especially at peak times such as "rush hour."

NLC strongly supports federal programs, which fund different transportation modes such as the federal transit and rail programs. Passenger rail – commuter rail, inter-city rail, high-speed rail and MagLev – provides communities with other options to consider as part of a transportation and smart growth plan.

In Dallas, we are proud of the success of DART passenger rail. It was said that Texans would never get out of their cars, but DART rail exceeded ridership estimates as soon as it opened in 1996. By 2003, the original 20 miles of light rail will be extended by an additional 24 miles,

taking rail from within the City of Dallas into three suburban cities and twelve new stations will be added.

NLC supports funding to both preserve existing transit systems and for New Starts. In addition, we support a change in the law to allow states and localities to use TEA 21 dollars for inter-city passenger rail. We support the development of a national high-speed rail network. NLC joined our local and state partners in supporting the concepts included in the High Speed Rail Investment Act, (H.R. 2329).

Federal policies should encourage "closing the gap" of independent modal elements of the transportation system, with the goal of ensuring that efficient connections are available for the movement of people and goods. Accordingly, NLC supports the development of intermodal facilities and would recommend that projects shown to improve the efficiency of the connecting modes of intermodal facilities should be recognized as a matter of national significance. Specifically, we would ask the Subcommittee to examine the intermodal system and determine if a specific funding program may be needed to help alleviate congestion.

Conclusion

In conclusion, the nation's local elected officials stand ready to work with you throughout the reauthorization of TEA 21. We understand the delicate balance among the priority objectives of all of the partners from the federal, state, and local levels. The National League of Cities is committed to working with our partners to protect the vital gains of TEA 21 and help develop the next surface transportation program. We value our seat at the table in this process and accept the responsibility of planning and implementing innovative transportation strategies to meet the needs of our citizens.

It is clear to us that congestion remains one of the nation's top complaints and is affecting quality of life. In addition, safety and security have become top priorities in this new post-September 11th climate. We believe the federal government can strike a balance between protecting our citizens and enhancing their quality of life. We continue to strive for an innovative, intermodal, and multi-modal transportation system.

STATEMENT OF

THE HONORABLE CHRIS HART
COUNTY COMMISSIONER, AT-LARGE
HILLSBOROUGH COUNTY, FLORIDA
AND
CHAIRMAN, TRANSPORTATION STEERING
COMMITTEE
OF THE NATIONAL ASSOCIATION OF COUNTIES

PERSPECTIVES OF GOVERNORS AND LOCAL OFFICIALS ON
REAUTHORIZATION OF
THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY

BEFORE THE
HOUSE SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

FEBRUARY 28, 2002
WASHINGTON, DC

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www.naco.org
RECYCLED

Good morning Mr. Chairman and members of the committee, I am Commissioner Chris Hart, Countywide Commissioner of Hillsborough County, Florida. Today I am representing the National Association of Counties (NACo)* where I serve as Chairman of its Transportation Steering Committee. On behalf of NACo, I want to thank the subcommittee for inviting me to appear before you on the topic of TEA-21 reauthorization. I am delighted to share this panel with Kentucky's Governor Patton, Idaho's Governor Kempthorne, Mayor Barr of Fort Worth, Texas, Councilmember Greyson of Dallas, Texas, and NACo's First Vice President Karen Miller of Boone County, Missouri. My county seat is in Tampa, where I directly represent over 1 million citizens on Florida's West Coast. It is an urban center of seven counties with over 3.5 million people. As a major tourist and business destination with a robust agricultural and industrial base, it is also the economic engine of the Tampa Bay region. This is in great measure because of our regional focus on improving the federal, state, and local transportation network, and our major international air and seaports that connect us to the global economy. I mention this for your reference, so that you will know that, on a daily basis, I have my hands on the wheel in a dynamic area that is urban, suburban, and rural, with a mix of transportation systems and issues found throughout America.

NACo has a broad interest in transportation policy. NACo has been very active over many years in assisting Congress in developing highway and transit legislation that benefits

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* NACo is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; serve as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

America's counties, as well as our partners in the cities and states. With 3,066 counties in our vast nation, NACo's membership is diverse. Today I will be commenting on the concerns of urban and suburban counties while my colleague Commissioner Karen Miller will address rural transportation issues. America's one thousand urban counties are experiencing increased economic and population growth. Metropolitan counties, or in urban centers like my home on Tampa Bay, account for 84 percent of the gross domestic product, and have over 125 million people living in just 100 of the most populated counties. Strong economic growth will occur only with a sound transportation system. Of course, the downside of that growth has been increasing traffic congestion, which at times threatens our quality of life and deprives citizens of their ability to move around in a safe and efficient manner.

TEA-21 and its predecessor, ISTEA, have been very helpful to our members and to our nation as a whole. I firmly believe that these programs have significantly contributed to the overall economic growth that our nation experienced in the last decade. ISTEA, in 1991, began a trend to increase the federal investment in the highway and transit programs, and TEA-21 provided a 40 percent boost. The increase was needed and we have seen the benefits. Last year the State of Florida appropriated over $1 billion for a combination of improvements to the local, state, and federal transportation system in the Tampa Bay region. This was a direct result of increased funding because of TEA-21. The leadership of NACo supported the funding increase for transportation in TEA-21 and fought hard to support the financing changes in TEA-21 that made this level of spending possible. It would be an economic disaster if Congress were to eliminate the firewalls established in TEA-21 or began to use the Highway Trust Fund to either

finance other programs or mask the deficit. Mr. Chairman and members of the committee, the financing decisions made in 1998 were the right ones!

With this background, let me make it clear that NACo supports H.R. 3694, the Highway Funding Restoration Act and its companion Senate bill, S. 1917. The reduction in highway funding in the administration budget is too drastic and NACo urges that Congress quickly address the Revenue Aligned Budget Authority (RABA) problem by passing these bills. It is not just highway funding that will be affected. A funding reduction would include the Surface Transportation Program, a flexible program that many regions have used to fund transit improvements.

Last fall, I established NACo's TEA-21 Reauthorization Task Force under the able leadership of my colleague Commissioner Glen Whitley from Tarrant County, Texas. Mr. Chairman, the task force has been diligent in its efforts, has met with members throughout our country, and is now finalizing its recommendations for TEA-21 reauthorization. However, I am confident that I can state without reservation that environmental streamlining will be a top issue for our members. Also, I want to be very clear that we will not be calling for the repeal of any of our nation's environmental protection laws. Rather, we will be recommending that the reauthorization include provisions that ensure projects are completed in a timely and efficient manner, and the delays in the current system that unnecessarily slow down projects are eliminated! Simply put, Mr. Chairman and subcommittee members, we are asking for a concurrent process, rather than an uncoordinated, sequential one. In the broadest sense, this means that we need to get all the players in a project involved at the outset. This means the local

elected officials, state DOTs and its other regulatory officials, all federal agencies having a role to play, as well as the environmental community, and most especially, the affected citizens. No one should be ignored, and no federal agency should be allowed to operate independently of the other participants. In my State of Florida, for instance, this effort is a work-in-progress, but it will not be successful without collaboration from the federal government.

A key change in highway legislation over the last ten years has been the creation of a flexible program that has relied on greater input from local elected government officials. The planning provisions of TEA-21 will be considered by NACo and we will look toward improvements that augment the partnership with state officials, and ensures that all local officials sit at the table with state officials as key decisions are made on highway, bridge, and transit projects.

Congestion will be another key policy issue that Congress must address in the reauthorization. Urban counties, their citizens, tourists, and our commerce are strangling on congestion. Time, money, and productivity are all lost when commerce, commuters and tourists are stuck in traffic. There is no one solution, except that we must apply common sense to the challenge of congestion. Solutions must be found through very close state and local cooperation. Congestion occurs on county highways, not just on the state networks. We must remember that we have a system of highways, and when one part of the system breaks down, the others are affected too. We must invest more money in highways to guarantee that our current system is maximized. We know that as much as 50 per cent of congestion occurs due to breakdowns and accidents on the roadways. Therefore, we must be smart enough to establish simple, efficient

methods for getting these incidents resolved quickly. Here again, federal agencies and their resources can partner with local and state government to save time, money, and lives. We need to have systems and procedures in place that include all the various agencies involved in incident management; from the highway departments, police, fire/rescue, to EMS and wrecker services, all communicating with one another. We can do better. Let me illustrate. How many times have you seen a breakdown or accident in one lane of traffic, with emergency vehicles taking up the other lane or lanes, and if we're really lucky, perhaps we are able to pass after an hour or so in morning and evening rush hour traffic. Systems and procedures for incident management could go a long way toward relieving congestion. Another key to relieving congestion and moving traffic is signalization. We have all been on highways where the signals are coordinated and traffic flows. We have also been on roads where we are stopping at every red light. Many local governments need additional resources to modernize traffic signals. The good news is that electronic signals, and now Intelligent Transportation Systems, or ITS as it's called, are giving us an 8 to 1 return on our investment as compared to other alternatives.

Transit is an essential piece of the solution to urban congestion. NACo supported increased funding of transit programs in TEA-21, the firewalls that were created to protect the funding, and the continuation of the basic 4:1 ratio in highway to transit funding. There should be no backing away from these principles. Additionally, NACo continues to support the current federal-local match. There are going to be many communities that cannot afford investment in transit if, as some have suggested, the match ratio is changed. As we move forward, NACo does support the existing structure of the transit program with a formula and capital improvement programs. Flexibility should be a keystone in the transit program, as each community has its

own approach to transit. Please remember that as population patterns in urban and suburban communities continue to change that transit will work best only when we recognizes how a community is developing, and then either match or lead our investment in transportation accordingly.

Mr. Chairman, this concludes my testimony. I thank you and the committee for the opportunity to be here today, and would be pleased to answer your questions.

House Subcommittee on Highway and Transit of the

Committee on Transportation and Infrastructure

Hearing on:

"Perspectives of Governors and Local Elected Officials on Reauthorization of TEA 21"

February 28, 2002

10:00 AM

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Good morning, Ladies and Gentlemen. It is truly an honor to be here, to share my opinions with you on the reauthorization of TEA 21 and some of the issues facing surface transportation in this Country. My name is Maria Lehman, P.E., F.ASCE and I am the Commissioner of Public Works for Erie County, New York. I am here to represent our County Joel A. Giambra, a great agent for change in Erie County.

Erie County is a large upstate New York county with a total area of 1048 square miles and home to New York State's second largest City of Buffalo. As the rest of the Country enjoyed the economic boom of the 90's, upstate New York saw little to no growth. Other U.S. communities have enjoyed double digit growth, while Western New York was fortunate to see tenths of a percent growth. Our future genesis as a Region depends on economic stimulus, which centers around infrastructure renewal.

As Commissioner for DPW in Erie County, I have the responsibility for 2,440 lane miles of Erie County owned highways. Of these, roughly 1,054 lane miles are federal-aid highways and about 1,387 lane miles are

non federal-aid highways. Within this system, there are 279 highway bridges, 15 parks bridges, and 415 culverts. Fifty percent of the Erie County highway system falls into the fair to poor condition levels. Fifty eight percent of those bridges are deteriorated or functionally obsolete. Even with current funding levels, only approximately 2% of the county system is under construction. A crumbling infrastructure cannot support a healthy economy.

I am also the Vice President for the American Society of Civil Engineers (ASCE) representing the Northeastern United States. ASCE is a professional organization of over 125,000 individual members from government, private practice, and academe, in existence for 150 years. One of my oversight areas within ASCE is Society policy and I am currently serving on the National Transportation Policy Committee.

I have been a public servant for 2 years and prior to that was a professional in private practice for 20 years. Immediately preceding my current position, I was the Corporate Director for Quality Assurance for URS Corporation, a publicly-held Fortune 1000 engineering consulting company. During by tenure as QA Director, I had the opportunity to work

on and provide technical oversight for many major transportation projects around the U.S., which used some of the innovative features of TEA 21 such as the I-15 project in Salt Lake City, the Big "I" in Albuquerque, the Atlantic City Brigantine Tunnel connector in Atlantic City, the East Side Access Project in New York, and hundreds of other projects of various sizes, complexities and geographic locations.

At the present time before any discussions on reauthorization, Congress needs to address the Revenue Aligned Budget Authority (RABA).

I applaud the House Transportation and Infrastructure Committee for your leadership in the introduction of H.R. 3694 on February 7, 2002. In doing so, you made a pronouncement that now is not the time to cut highway investment. I urge you, as you deliberate this issue as a committee, that you consider the amount in the bill, $27,746,000,000 as a bare bones minimum.

The $8.6 billion cut in the guaranteed Federal-Aid highway program from FY2002, which was included in the Administration's FY2003 budget proposal, is devastating to the economy in the short, mid and long term.

In the short term:

- The announcement made about the shortfall caused three of the biggest U.S. suppliers to the Construction industry lose 5% of their stock value in the week following the announcement, based solely on analyst projections.
- DOTs around the country are paring down or delaying their programs as we speak, in anticipation of the federal program cuts. The economic downturn creates further program erosion.

In the northeast, where we see a larger percentage of roads in fair to poor condition and bridges that are structurally deficient or functionally obsolete; delay of programs will have a ripple effect both on the condition of the infrastructure but also on economic recovery. Investment in infrastructure is investment of the capital stock of the United States. There is no coincidence that it is called "Public Works."

In the mid term:

- The expected job loss from the proposed cut will have an impact of 140,000 jobs in 2003 and a total job loss of 360,000 jobs over the next 7 years.

In the long term:

- Because of the reauthorization baseline provisions in TEA-21, RABA, the next Authorization bill will be based on the 2003 dollar amount, which would be at the $22 billion range, instead of the $32 billion dollar range annually. The long-term negative effects are currently being studied, but will definitely continue to hold a wet blanket over the economy.

The impact to New York will be a cut in funding of over $345,000,000 in federal FY2003. That equates to a job loss of over 14,500. When you consider the devastating effects of September 11 on the New York State economy as well as the infrastructure rebuilding costs, this cut will have a very severe impact on the entire state. When you factor in that the Lower Manhattan infrastructure will be rebuilt creating jobs in New York City and

its immediate vicinity, I foresee that these job cuts will be seen primarily in upstate New York. If you further consider the slowest growth area during the past 10-year boom to the U.S. economy as a future indicator, Western New York will feel the brunt of the pain.

The good news is that there is a very real solution to this issue. Currently the Transportation Trust Fund has a balance of over $18,850,000,000, and a legislated reserve level of approximately $9,000,000,000. This balance has been growing, even in light of the RABA provisions to increase funding when revenues are up. Using the balance to fund the $8.6 billion shortfall will alleviate the current crisis, create a better baseline for future authorizations, and keep Americans, New Yorkers and Western New Yorkers employed in good, family-wage jobs.

ISTEA and TEA 21 were historic pieces of legislation, which provided funding at record levels and new initiatives, funding mechanisms, and flexibility that changed the face of the surface transportation system in the United States. Both recognized the importance of the surface transportation system related to the new just-in-time economy and moved to the post interstate building era.

As part of ASCE's effort toward reauthorization, a survey was developed in order to evaluate TEA 21, its successes and potential pitfalls, in order to provide a roadmap for its successor legislation. The survey was sent to 6656 members of the ASCE Key Contact program, and was completed by 865 people, which equates to a 13% response rate. It is notable that the survey results closely align with my own priorities for reauthorization and its impact on Erie County. The results also are very much applicable to all modes of surface transportation, as well as all project sizes whether they are billion or million dollar projects.

When asked what the three most important issues that ASCE should work on for reauthorization 76% stated increased funding, 52% stated environmental streamlining, and 36 % stated innovative finance. Others included 35% future research programs, 32% alternative project delivery systems, 29% safety, and 25% procurement issues.

Upon a more detailed look, I can summarize these items into 3 areas: expanding infrastructure investment, enhancing infrastructure delivery, and maximizing infrastructure quality.

Expanding Infrastructure Investment

Infrastructure investment needs to be expanded just keep up with the backlog of work. A reliable, sustained user fee approach to building and maintaining the nation's highways and transit systems is integral to our economic prosperity. FY2002 investment was at the $31.9 billion level, without a RABA fix FY2003 will be $21.8 billion. Current needs without capacity improvements are in the $50 billion range for annual federal investment. According to the Federal Highway Administration, the nation should be investing $94 billion a year on its road and bridge system over the next 20 years, in order to improve conditions and performance adequately. In 1999, the total capital investment by all levels of government was $59.4 billion, well short of the needed $94 billion.

In 2000, according to the National Highway Traffic Safety Administration National Statistics, 37,409 fatalities occurred on the Nation's highway system. That equates to an average of a 737 airplane going down every other day over a year timeframe. The American public would never accept this in the air, why should we on our roads?

Serious consideration should be given not only to indexing the federal gasoline tax to preserve the purchasing power of the user fee, but also an increase in this user fee. The Trust fund balance needs to be managed to maximize the investment in infrastructure, and to keep cash balances at the minimum required level, as opposed to carrying ever increasing amounts. Taking the trust funds off-budget will preserve firewalls in the program. I have heard it said that if we were funding infrastructure at needed levels, there would not be any need for demonstration projects. In a continuously constrained funding environment, there are always unmet needs.

Serious consideration should also be given to increasing the federal gas tax. This is really a misnomer as it is not a tax, but a user fee, and should be treated no differently than the increase last fall in air "user fees" to pay for the increased security infrastructure. This user fee goes back directly to those who invest in it, thus it is not regressive.

We also need to maintain guarantees on the equitable distribution of funds with a greater focus on infrastructure preservation. The

infrastructure in the northeast is the oldest in the country and due to the relatively level or decreasing populations, there has been great pressure to have all the funding follow the census. All this does is mortgage a problem into the future. Infrastructure preservation should be the highest priority. At the current levels of spending, infrastructure investment on federal aid eligible Erie County Highways will meet the needs in over forty years. When you consider the design life of 20 years for roadways and 30 years for bridges, we will be forever chasing an asymptote.

Erie County has developed a 12-year bridge and culvert program that will either replace or rehabilitate every structure over a 12-year period. Its price tag is $172,000,000. This would make every bridge safe for full loads, instead of having many load posted bridges. These load posted bridges have many overweight vehicles, including school buses filled with children drive over them everyday, because the load limits are not enforced. This is a problem that everyone seems to be able to overlook until a tragedy occurs.

Innovative finance also has a major role in the ability of states and local municipalities meet a great backlog of needs. Programs such as State

Infrastructure Banks, TIFIA and Garvey need to be expanded and complimented with other similar programs. Erie County is spearheading a effort with the Greater Buffalo Niagara Regional Transportation Council (GBNRTC) to evaluate how Garveys can be used to fund programs for local entities. We hope to have a working proposal complete by the end of May. This program will be the cornerstone of an unprecedented road and bridge program. Because roughly half of the road network is not eligible for federal aid, Erie County will need to develop a local funding strategy that will involve a local, stable dedicated source of revenue. A commitment has been made by County Executive Giambra to make this happen.

Due to the successful implementation of the Metropolitan Planning Organizations (MPO) over the past 2 decades as Urban area coordinators of federal aid programs, consideration should be made to having the MPOs get federal aid directly from federal aid programs, and that the states could administer federal aid to non-MPO areas. This would put the source of money, and project administration closer to product delivery, thus making a more effective use of funding, and stretching the value of each federal dollar. Garvey implementation on the local level would be

much easier if the funding came through the MPO's. Many states do not have bonding authority without a voter referendum, and thus find Garveys difficult at best.

The current flex options have been working well in providing projects that meet the varying needs of individual states. This flex allows for many intermodal projects that are integral to the local infrastructure. Intercity and commuter rail is a good example. GBNRTC is currently working with Amtrack on a Business Development plan to have high speed rail connections between Toronto, through Niagara Falls, Buffalo on to points West through the Ohio corridor or on to the Northeast corridor through the Empire corridor. With the approximately 10 million outside visitors to Niagara Falls annually, coupled with the 8 million residents of the golden horseshoe (Toronto-Buffalo-Rochester) high-speed rail access makes tremendous sense from both an intermodal perspective and an economic development perspective in the tourism arena.

One concern that I have on the revenue side of the issue, is the effect on ethanol on revenues and how this bodes on the future with Fuel Cell Technology. Ethanol was seen as the future and thus did not see the

same level of user fee in order to encourage its use. Now there is a significant disparity between fuel taxes on gasoline versus ethanol. The reauthorization will need to address the incentives to decrease our country's dependence on gasoline while providing for single occupancy vehicles and the mobility that we have all grown accustomed to. Fuel Cells are the future, but incentives will be required to change the paradigm. We need to facilitate this change, with a look onto the future horizon on how to support our nation's surface transportation without gasoline taxes. Groundwork for the future needs to be laid in this next reauthorization or very serious revenue shortfalls will occur.

Enhancing Infrastructure Delivery

This simply boils down to getting the best bang for the buck. There are serious issues currently that need to be addressed in order to expedite project decision-making, consistency between agencies (and in some cases within agencies themselves), and providing timelines for project review and delivery. We need to find ways to deliver projects more quickly, provide faster procurement, provide alternative delivery of projects, expediting regulatory decision making, removing delays, and

spending more money on steel, concrete, and construction materials than paper. Agency administrative burdens as a function of construction costs are too high and need to be reduced. Many projects suffer from regulatory ambiguity, legal NIMBY and "over studying" of the problem (what we engineers call analysis paralysis). Locally administered federal aid projects have been very successful and need to be expanded.

Environmental streamlining needs to be seriously addressed. In the past, efforts dubbed "streamlining" were tried but by the time rules were promulgated, there was more confusion, overlap of agency jurisdiction, and more paperwork involved. There are many incredible stories involving misguided environmental agency rulings, which qualify as stranger than fiction. For example, during 2000 Erie County experienced serious flooding, which resulted in a FEMA disaster designation. A section of North Ellicott Creek Road, along the US Army Corps of Engineers Flood control project, saw embankment slides, which FEAM concurred with as a flooding disaster repair. In order to keep the roadbed from sliding into the Creek, and blocking the floodway of the Creek (which would have resulted in very considerable flood damage), 18-inch stone rip-rap was used along the flood control project. When the environmental

comments returned from the State Historic Preservation Office, the office had asked for manual shovel testing (which includes a garden variety spade) of the rip rap area, within the flood control project (a previously disturbed project area.). This physically impossible as a 9 to 12 inch shovel can't move 18 inch stone. Another incredible story involved a signal replacement under the CMAQ program of an area within the Coastal Zone Management Area. A comment from a review agency stated that the impact on the fisheries had not been identified. The signal was a replacement on an existing roadway. How does this impact the average fish swimming along minding its own business?

These anecdotal stories are true representations of the frustration felt by municipalities and design professionals, which spend needless time, resources, and talent responding to such ridiculous commentary. In order to minimize this, reauthorization should mandate peer review of environmental technical regulations by outside independent experts in technical fields affected by the regulation's implementation. A formal peer- or quality-control review process prior to the promulgation of federal environmental regulations will go a long way in maintaining the goal of

sound environmental practices utilizing public input, while delivery much needed projects on streamlined budgets.

Maximizing Infrastructure Quality

Reauthorization needs to enhance the amount of research in surface transportation. A federal research program should focus on emerging and long-term issues, including the traditional transportation themes but expanding on items such as creative new financing mechanisms and infrastructure security. Incentive programs should be put in place to speed the technology into practice; both to the inventor of the technological advance and also to the federal and state agencies that take the risk to implement them.. The Intelligent Transportation Systems used today are a great example of this.

Highway safety needs to a bigger focus, in order to save lives. Rumble strips along our interstate highways are a low cost, high return on safety improvement. Innovations such as these need broader implementation.

In summary, I would like to reiterate that Erie County's current surface transportation needs are in the $600,000,000 range. In order to just maintain the status quo we need more capital funding. Funding in this range would provide for 1500 direct jobs and 1700 indirect jobs over 5 years. The total annual impact over a period of five years as estimated by the University of Buffalo School of Planning would be in excess of $760,000,000. Not a bad investment...

Congresswoman Juanita Millender-McDonald
Statement at Subcommittee on Highways and Transit Hearing
Perspectives of Governors and Local Elected Officials On Reauthorization of TEA 21

Thursday, February 28, 2001
2167 Rayburn House Office Building – 10:00 A.M.

Mr. Chairman, I want to thank you and Ranking Member Borski for holding today's hearing. October 1st marked the beginning of the final third of the authorization under TEA-21. This groundbreaking and bipartisan legislation has had a significant impact on all of our communities. As we begin reauthorization, today's hearing is critical to understanding the impact of TEA-21 on our constituents and to understanding

how we can improve upon this legislation.

TEA-21 has provided a tremendous boost to the nation's transportation system as well as to national, state, and local economies. I'm convinced that the policies and directions of the federal-aid transportation program have benefited personal safety, mobility, and the movement of goods and services throughout this great country, but more importantly in the quality of life for all citizens.

I am pleased that today we are joined by state and local officials from around the country, who will give us a look at how TEA-21 has

impacted their individual localities. In addition their testimony will provide the committee with insight into how we can improve upon this highly successful bill. I look forward to the reauthorization process because this program has been widely successful in my home state of California and I believe that we can and must improve this legislation.

The State of California has used TEA-21 to invest record levels in the State's transportation system. TEA-21 increased California's average apportionment by about 55 percent from ISTEA and by about 200 percent from the Surface Transportation Assistance Act of

1987. The State Highway Operations and Protection Program funding increased from $541 million annual budget to $844 million annual budget, a 56 percent increase in system operation maintenance and rehabilitation. The State Transportation Improvement Program funding increased from $353 million annual budget to $898 million annual budget, a 154 percent increase in capital improvements.

I am particularly interested in hearing from our witnesses today regarding the Administration's budget proposal that cuts the annual federal-aid highway program for next year. This cut is $8.5

billion below last year's funding and will severely disrupt state highway infrastructure programs, resulting in states having to postpone or abandon many scheduled projects. My home of state of California will loose $618 million in funding and the elimination of 25,963 jobs over the next seven years if this funding level is maintained. I know that my colleagues and I appreciate the support for H.R. 3694 that we have received from the National Governors Association, the National Association of Counties, the U.S. Conference of Mayors, and the League of Cities. This bill will restore much of the cut but more importantly it means saving family

wage jobs. The Transportation and Infrastructure committee has spoken in a bipartisan voice in relation to our desire to restore the funding and I think that when combined with voices from outside the beltway we will be successful in restoring this needed funding.

Thank you, Mr. Chairman.

STATEMENT OF

THE HONORABLE KAREN MILLER
COUNTY COMMISSIONER
BOONE COUNTY, MISSOURI

ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

PERSPECTIVES OF GOVERNORS AND LOCAL OFFICIALS ON
REAUTHORIZATION OF
THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY

BEFORE THE
HOUSE SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

FEBRUARY 28, 2002
WASHINGTON, DC

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RECYCLED

Good morning Mr. Chairman and members of the subcommittee, I am Commissioner Karen Miller of Boone County, Missouri. Today I am representing the National Association of Counties (NACo)* where I serve as its First Vice President. On behalf of NACo, I want to thank the subcommittee for inviting me to appear before you on the topic of TEA-21 reauthorization. I am honored to share this panel with Kentucky's Governor Patton, Idaho's Governor Kempthorne, Mayor Barr of Fort Worth, Texas, Councilmember Greyson of Dallas, Texas, and Commissioner Chris Hart of Hillsborough County, Florida. Boone County is both a small urban and rural county. My county seat is in Columbia, home of the University of Missouri. However, much of the rest of Boone County is rural with agriculture accounting a substantial portion of the economy.

NACo has a diverse membership. Today I will be addressing the transportation policy as it affects rural counties, while my colleague Commissioner Chris Hart, who chairs NACo's Transportation Steering Committee, will give you his views on urban county issues. Of the 3066 counties in the United States, there are approximately 2000 rural counties with 1,650,000 miles of county-owned highways. Counties also own 45 percent of the nation's bridges, most of which are located on our rural system.

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* NACo is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; serve as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

It is extremely expensive to maintain and improve this system. Many of the two thousand rural counties try to do so with a dwindling tax base so that they can remain competitive in today's economy and retain their current population. NACo believes that TEA-21 reauthorization must include a commitment to rural regions and rural elected officials because rural local governments cannot sustain a good transportation infrastructure by themselves. This is really about economic development and its impact on rural counties. I think we know that many of our citizens will not remain in rural areas without good jobs and employers who pay good salaries will not relocate in rural communities without a good transportation infrastructure. It is also about safety and protecting our citizens who travel on rural roads and who account for much more than their share of highway fatalities.

Counties have benefited from the funding increase for transportation in TEA-21. NACo participated in the effort that resulted in the financing changes in TEA-21 that made this level of spending possible. The firewalls need to stay in place. I think the policy reflected in the administration's FY2003 highway budget is not the direction we should be moving in. NACo believes that more not less highway spending is needed and that rural regions of our country will be hurt by the proposed $8.6 billion cut. Cutting highway funding to rural communities means less investment on highways. There is also a short and long-term impact on those communities of construction job loss. Even in good economic times, jobs are often at a premium in rural areas, and today we are not facing good economic times. I expect many of our counties will also be facing reduced state aid and that means fewer dollars for transportation. For all these reason, NACo supports H.R. 3694, the Highway Funding Restoration Act.

Let me also add that I believe that our urban and rural highway infrastructure performed well on September 11 and in its aftermath. We should all remember that the federal highway program was begun to ensure our nation's defense. While the tragic events of last September were never anticipated, the security function of our highway and bridge system worked. Whether it is terrorism or simply a 911 call for an ambulance, fire truck, or police officer, no citizen should be concerned that a deficient bridge or a poorly maintained road will delay emergency responders. While rural emergency responders generally have to travel further distances, rural residents still expect delays to be minimized and assistance not held up due to poor highways and bridges.

Beginning with ISTEA and continuing with TEA-21, a major philosophy in the highway and transit programs has been greater input from local elected government officials. The result has been better planning, better decision making on project selection, and better projects. It is likely that the federal government will continue to spend substantial federal resources each year on highways and bridges, and that makes it essential that both local and state government leaders sit together at the table when decisions are made. While ISTEA guaranteed that urban local officials sitting on a metropolitan planning organization would have substantial input in how federal funds would be spent, it was TEA-21 that statutorily called for a consultation process in each state for obtaining rural local officials input in the statewide transportation plan. This was not a "one size fits all" proposal but rather an effort to ensure that rural local elected officials had some voice on how federal funds are to be spent. No one has ever explained to me why an urban elected official is more qualified to be heard on project selection than a rural official. I must add that while some states have a process in place and the Federal Highway Administration did issue

guidance on this change to its field offices, the US Department of Transportation has yet to issue final regulations on rural planning requirements. It has been over three and one-half years since TEA-21 was passed and approaching two years since USDOT issued the proposed regulations. I might add that NACo thought the proposed regulations were on target. We very much hope this issue can be resolved so that it does not carry over to the reauthorization.

NACo has a TEA-21 Reauthorization Task Force that has met several times and will meet this afternoon as our Legislative Conference gets underway here in Washington. While we have not finalized our policy, there are a number of items, which I expect to be included. I have already mentioned guaranteed funding and the firewalls and the planning process. Environmental streamlining is also likely to be addressed to ensure that projects do not get unnecessarily delayed.

Rural roads are in need of substantial federal investment. Safety is the primary reason. According to a US General Accounting Office report issued in July 2001, rural local roads had the highest rate of fatalities per vehicle mile traveled of all types of roadways—over six times that of urban interstates. In 1999, over 25,000 fatalities occurred on rural roads across the U.S.; and that figure was 2.5 times greater than the fatality rate from accidents on urban highways in areas like Las Vegas, Miami, St. Louis, and Cleveland. In Missouri, 72 percent of the fatalities in the state happen outside the St. Louis and Kansas City metro areas. If Congress wants to reduce auto fatalities, there is no better investment than on roads in rural counties. Because rural roads are the most dangerous roads in America, and are the most costly in human lives, NACo will be proposing a new program to address rural road safety in the coming months. The concept

behind this program will be to focus federal resources on dangerous two lane rural roads that can be improved through investment in improving vertical and horizontal alignment, signage, pavement marking, and increasing skid resistance, upgrading guardrails, and other safety improvements. Rest assured, Mr. Chairman, that we will work closely with your subcommittee in developing this proposal. The federal bridge program has always been one of importance to rural counties and this subcommittee has demonstrated great support for it. Frankly, there cannot be enough funding for deficient bridges. Counties own a substantial percentage of the nation's deficient bridges and have used the federal bridge program extensively. Forty percent of the bridges in Missouri under the responsibility of local governments are either functionally obsolete or structurally deficient. In particular we support what has been known as the "off-system bridge program" that requires each state to spend between 15-35 percent of its federal bridge funds on bridges on highways not eligible for federal highway funds. That is a percentage NACo believes should be increased to at least 25-35 percent.

Let me comment on transit in rural areas. Transit is commonly perceived as an urban issue. However, it is also a rural issue and the federal rural transit program is very important to our members. The many small transit agencies serving rural America make a difference, particularly as the population ages. While $225 million does not seem like a lot out of an annual $7 billion transit program, it goes a long way. This program needs to be extended. The Job Access program also needs to be continued and expanded. Projects should be funded on a competitive basis. Counties are responsible for getting individuals off welfare and into the job market. Transportation needs to be available and this program fills that need. You can imagine how successful a person in a rural community with no car will be in trying to get off welfare.

Mr. Chairman, this concludes my testimony. I thank you and the subcommittee for the opportunity to be here today, and would be pleased to answer your questions.

Testimony of
GOVERNOR PAUL E. PATTON
COMMONWEALTH OF KENTUCKY

On
REAUTHORIZATION OF THE TRANSPORTATION EQUITY ACT OF THE 21ST CENTURY (TEA-21)

On Behalf of the
COMMONWEALTH OF KENTUCKY AND
THE NATIONAL GOVERNORS ASSOCIATION

Before the
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

2167 Rayburn House Office Building
Washington, D.C.
Thursday, February 28, 2002 - 10:00 a.m.

Chairman Petri, Ranking Member Borski, and members of the Subcommittee, I thank you for inviting me to testify before your committee on the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) as we enter the last fiscal year guaranteed by that act. I'd like to applaud the hard work of this committee.

Let me first introduce myself. I am Paul Patton, Governor of Kentucky and currently the Vice-Chairman of the National Governors Association (NGA).

By way of further introduction, I know roads! I know how to build them; I know how to use them; and I know what the lack of them can mean to people.

I'm a life-long resident of Appalachian Kentucky, a region of our nation destined to wilt on the vine of poverty because it had been by-passed by the modern highways of the last half of the 20th century; until our Federal government rescued us with the Appalachian Developmental Highway program.

I know the horror of friends and family deprived of life because of antiquated mountain trails used as highways.

As a businessman I know what a competitive disadvantage obsolete roads can create. As an engineer I know there is only one solution; safe, modern highways serving all of America, keeping our industries competitive in a world economy, our children safe on the way to school, our communities connected to that larger world that we all want to be a part of some of the time, even as we value the serenity of our own neighborhood.

I was fortunate to be able to retire from the business world at 42 and pursue a life of public service which I have found to be extremely rewarding. My first public service job was in 1979 in the administration of Kentucky Governor John Y. Brown, Jr. where I had the choice of several positions. I chose to be Deputy Secretary of the Kentucky Transportation Cabinet because I knew the need for roads all over Kentucky and especially in Appalachian Kentucky.

I later served for ten years as the county executive in my native Pike County where my main focus was improving our residential and arterial roads.

As governor, I have been personally involved in improving the efficiency of our road building and maintenance programs and working with my fellow governors to secure the appropriation of all the funds in the Highway Trust Fund to the construction of roads and other transportation purposes.

I know roads!

During the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA), I, along with my fellow governors at the time, led the T.R.U.S.T. (Transportation Revenues Used Solely for Transportation) Coalition which succeeded in working with your committee to secure one of the most comprehensive highway spending bills ever enacted by Congress. TEA-21 provided a greater rate of return to the states of our citizens' motor fuel and user taxes while increasing the equity of distribution among the states. It is my intention to work closely with you in order not to lose the ground that was hard-won nearly six years ago and hope to again work with this body to build upon those achievements.

I realize that the President's budget proposal follows the mandate of TEA-21 and as you well know, the funding level of the next fiscal year as calculated using the criteria for the TEA-21 legislation will result in a 27 percent reduction in Federal spending in the next fiscal year, which for most states begins in little more than four months.

I know that the Federal fiscal year doesn't begin until October 1, but Kentucky, and I believe most other states, begin planning their state and Federal Highway Construction Program about this time of year, going to contract near the beginning of the construction season, spending state money to prefinance federally funded projects, getting reimbursed very early in the Federal fiscal year. For example, beginning last October 1, Kentucky has been reimbursed $60 million for work actually performed before October 1. The point I'm trying to make is that, if states have to absorb a 27 percent cut in federally funded highway construction next year, they will begin reducing expenditures in July of this year or even before. The lack of rapid action by the Congress on this subject will mean a dramatic reduction in spending in a critical sector of our economy which will have an adverse effect on what appears to be a recovering economy.

The Congress may very well not be able to pass a stimulus package; but to not act on this issue will have the opposite effect and result in the reduction of about $8.6 billion of expenditures that will cost the economy as many as 360,000 jobs. That translates to over 5,000 jobs in Kentucky and that's a serious problem, especially considering the fragile nature of what we hope is an economic recovery. These are good-paying jobs, among the best in the state. I'm sure that is true of the other parts of the country.

One of the goals in TEA-21 was to secure the expenditure of all of our transportation dollars on transportation projects. As to current revenue, TEA-21 has done that. It did not address the approximately $19.3 billion unappropriated balance in the Highway Trust Fund.

Another objective was to maintain relatively consistent funding from year to year so that the construction industry could operate efficiently without dramatic swings, up or down, and so that construction workers could have relative job security. Up until next fiscal year, funding levels have been fairly consistent since 1997 with an average increase of about nine percent a year.

Next year the chickens will come home to roost, as we used to say on the farm. Through a combination of several factors, which could not be foreseen when TEA-21 was enacted, the formula results in this unprecedented 27 percent reduction for Fiscal Year 2003.

One response to the governors could be, "That's what you asked for, that's what you got." If it were only the governors who would be affected by this reduction, that response might be justified. But it's not the governors who will suffer. It's the workers; and the infrastructure our businesses need to stay efficient. And I'm not just talking about construction workers. The construction industry won't be buying much new equipment when they have 27 percent excess capacity. The workers in the factories which build that equipment will be affected. And the workers in the retail establishments which serve those construction and factory workers will be affected. The results will ripple through the economy and touch the lives of the constituents of every members of the Congress, and of every governor. Those are the people I appear on behalf of.

Next year you will be considering, and I will be here talking to you about, the reauthorization of our surface transportation program. That will be the time to correct the problems with TEA-21 which have now become apparent. This next fiscal year is the immediate problem, and I do mean immediate. My solution is to begin the process of spending down the unappropriated balance of the Highway Trust Fund to maintain level funding for this one year until the quirks which have resulted in the reduced revenue have worked their way through the system and we can return to a "current revenue" expenditure program which will be stable and very near the $31.8 billion level of the current year.

Mr. Chairman, I cannot overstate the urgency of quick action. The vast majority of the states' budgets commence on July 1 - three months before the new federal fiscal year. So, we are already in the final stages of our own budgets - the final stages of making determinations of which projects to halt, delay or not undertake - and how many jobs to lose.

We are grateful for your extraordinary leadership in moving so swiftly, and in such a bipartisan manner, to engage an early resolution. Timing is vital. Nothing could be more essential to meaningful economic recovery.

In less than one week, 45 governors have joined in a letter to the bipartisan leaders of the House and Senate urging speedy Congressional action. In addition, the NGA has joined with the U. S. Chamber of Commerce and other key labor and business organizations to urge prompt action.

The state and federal partnership that grew out of ISTEA and improved under TEA-21 has been one that has greatly benefited the surface transportation system throughout the nation. The governors are committed to maintaining a safe and efficient transportation network, and we strongly urge the reauthorization of the Federal surface transportation program and the extension of the transportation firewalls.

Our states are responsible for the vast majority of the maintenance of our nation's roads and finance more than one-half of all public investments in surface transportation. My fellow governors and I are dedicated to maintaining a world-class transportation system and continuing the partnership with the federal government. But in order to do that, it is vital that each state be granted the flexibility and authority to make the key decisions that affect transportation.

The public transportation system is largely the responsibility of the states and local governments. It is important that the next authorization not dilute or pre-empt state authority. The governors oppose unfunded mandates and urge Congress not to impose new standards without a federal financial commitment to the states to offset any financial impact. Furthermore, the governors urge the use of incentives rather than sanctions to encourage the achievement of national goals.

The nation's governors strongly support sound environmental protection efforts. It is important that the next surface transportation bill has a strong environmental component that is balanced with state flexibility to meet those environmental guidelines. It is possible for reasonable and sound environmental policy to be achieved without sacrificing improved transportation and economic development.

On average, projects requiring an environmental impact statement take almost five years from start to environmental approval. This is entirely too long. In Kentucky, we have the utmost respect for our environment. However, our citizens want us to improve our highway system, protect our environment and do it quickly.

In western Kentucky, an extension of our parkway was delayed while resource agencies disagreed over the value of a wetlands. The perplexing feature of this "wetland" was that it was wet one month out of the year and dry the other eleven months. In Central Kentucky we are often required to work project schedules around trying to identify an endangered plant species called "Running Buffalo Clover." This type of clover is only distinguishable from regular clover

when it is in bloom for one or two weeks out of each year. If you don't locate it in those two weeks, you will need to wait until the following year.

Proposed rules released by the Federal Highway Administration and the Federal Transit Administration concerning environmental streamlining would not simplify the process. I urge Congress to not require new administrative guidelines that will hinder the process since it would be a waste of time and resources to delay projects for unnecessary and cumbersome administrative processes. There are already a multitude of Federal laws and regulations for which we must comply for our highway projects. In Kentucky we have initiated context sensitive solutions for our highway projects and smart growth practice for land use which we think is a better solution to providing good highways while preserving our environment.

The safety of our citizens on our nation's roads is of paramount concern to Governors. Although modern transportation systems have greatly helped reduce injuries and deaths on our nation's highways, safety programs should be strengthened. States should be allowed to direct safety resources to their most critical safety needs. Implementing any new national safety standards without state coordination will only muddy the process.

In Kentucky, we passed the "Point 08" blood-alcohol level and the "Open Container" laws two years ago and are benefiting from the incentives of additional highway safety funding. We are putting this incentive money to good use with increased enforcement on our roadways and the improvement of high-accident locations.

Currently, we are working hard to pass a primary seat belt law for Kentucky. We estimate that the lives of 75 Kentuckians will be saved annually by the enactment of this law. It is important to governors that the incentive "carrot" approach, not the "stick" approach be used for encouraging states to improve highway safety.

Over the years, this committee has ensured that an adequate transportation infrastructure existed to promote efficient and cost-effective movement of goods and people. Your actions have been vital to our country's economic prosperity. That is why it is crucial that this committee enact a surface transportation bill that lays the foundation for economic recovery and growth in the next decade.

I thank you for the opportunity to be here today to raise these important issues. On behalf of the nation's governors and the people of Kentucky, I look forward to the results of your hard work and eventual success in this endeavor and would be happy to answer any questions.

REMARKS OF U.S. REPRESENTATVIE NICK J. RAHALL, II
HEARING ON THE REAUTHORIZATION OF TEA-21
PERSPECTIVES OF GOVERNORS AND LOCAL ELECTED OFFICIALS
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
FEBRUARY 28, 2002

Thank you, Chairman Petri, and Ranking Member Borski, for holding this hearing today. I appreciate hearing the views of Governor Patton and the local elected officials here with us today. Each of you has hands-on experience putting federal highway money to use once it is allocated to the states.

I also want to thank each of our witnesses for supporting HR 3694, our bi-partisan "Highway Funding Restoration Act." Your support shows your willingness to work with this Committee in every critical issue we tackle.

Through this bill, we all are working to prevent 340,000 job losses and delays in highway projects that the proposed $8.5 billion budget cut could cause in all 50 states. As of today, we have 265 bi-partisan co-sponsors. I encourage our witnesses to talk with any Member of the House you know, who has not yet signed on, and ask that Member to co-sponsor the bill.

As we look at how we can improve TEA-21, I want to note that research plays a vital role in how we can best provide highway and transit services. I was proud that TEA-21 authorized $158.8 million in transportation research funds and $36 million in transit funds, for University Transportation Centers in all 10 regions of the nation.

I am proud that Marshall University in Huntington, West Virginia was able to start the Rahall Appalachian Transportation Institute with TEA-21 funds. My vision statement for the Institute is "Building Jobs Through Transportation."

Not only is the Institute working to create jobs through research projects that will enhance our transportation infrastructure, but since it began operation in 1998, the Institute has conducted research in highway safety; environmental streamlining; Intelligent Transportation Systems; using advanced technology to improve highway signage; railroad and truck intermodal transportation; and critical personal safety issues such as drowsy driving.

I could go on with the various types of research the Institute is doing. But instead, I would like to hear from our witnesses how they believe we can enhance the benefits of the University Transportation Centers program.

For instance, what advice can our witnesses offer to the Centers regarding the types of short and long-term research they would like to see?

The Centers are educating tomorrow's transportation experts. At the same time, these students are eager to conduct the research that today's transportation experts need to plan for tomorrow.

I would like to see the University Transportation Centers actively partner with our local elected officials, so you can mutually contribute to improving the innovative programs we enacted in TEA-21 through solid research.

Thank you, Mr. Chairman.

Congressman John Thune

STATEMENT
Subcommittee on Highways and Transit
Thursday, February 28, 2002

Mr. Chairman, I want to thank you for holding the second hearing of many this year to review the performance of the Transportation Equity Act for the 21st Century in preparation for its re-authorization next year. I also want to welcome our witnesses. Input from State and local elected officials is critical to the continued success of TEA-21 and the future of federal transportation planning.

Mr. Chairman, construction of South Dakota's interstate highway system was completed by the late 1960s, making it one of the oldest in the nation. (Reasons: rural state, low population, right-of-ways secured quickly)

Since the passage of TEA-21 in 1998, highway building activity has increased by 50%, while administrative costs have remained level. It also means more money is being spent on the projects and communities it was meant for. This means better, safer roads for my constituents in South Dakota. There is no doubt that TEA-21 has improved the quality of interstate highways and transit systems around the country. In addition, TEA-21 dollars have translated into thousands of jobs, and are an enormous boost to the overall economy of South Dakota and our nation.

TEA-21 has been a big success in South Dakota, and that's why I am concerned about the recently announced budget shortfall for highway spending in FY 2003. It is estimated that this cut will represent a loss of approximately $50 million in FY 2003 highway funding for my state. Constituents have told me that over 2,000 jobs may be lost due to the current projected shortfall. With South Dakota's economy already struggling, losing additional jobs will be devastating. At the national level, I am afraid that this loss of funding and jobs will only prolong our nation's economic recovery.

The South Dakota Department of Transportation and the private sector have been doing their job to plan responsibly for future transportation reconstruction and improvements. These critical needs in my state have not gone away and a shortfall of this magnitude in the Highway Trust Fund will

be devastating to my state. I can assure you that state and local officials in South Dakota are focussed on Congress restoring federal highway funding for FY2003 projects.

I don't want to overshadow the fact that Congress is facing many pressing budget needs this year. No one could have predicted the challenges facing America today. Our nation's war against terrorism demands that we allocate sufficient resources for our men and women in uniform. We also must improve homeland security, including the safety of America's transportation infrastructure.

Mr. Chairman, my state cannot afford to lose any more jobs. That is why I fully support the "Highway Funding Restoration Act." It is my hope that Congress will pass this bill, spend a few dollars from the Highway Trust Fund and avert a potential hit to the nation's economy. I look forward to today's testimonies and to working with my colleagues on this Committee to continue the success of TEA-21.

BOARD OF COMMISSIONERS OF FULTON COUNTY
FULTON COUNTY GOVERNMENT CENTER
141 PRYOR STREET, S.W.
ATLANTA, GEORGIA 30303

MIKE KENN
CHAIRMAN

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February 28, 2002

The Honorable Representative Johnny Isakson
Sixth Congressional District of Georgia
132 Cannon H.O.B.
Washington, D.C. 20515

Dear Representative Isakson:

As Chairman of the Fulton County Board of Commissioners, I endorse the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21), and passage of H.R. 3694, Highway Funding Restoration Act.

President Bush has proposed Transportation Budget cuts in excess of $8 billion for 2003, and about $4.5 billion less in TEA-21 funds than was made available in 2002. A reduction in funding of this magnitude would substantially diminish Fulton County's ability to address local economic, highway and transit improvement needs.

According to the legislation, H.R. 3694 will set highway program funding at $27.75 billion in FY 2003, which restores $4.4 billion to the proposed highway budget. Although it does not recoup the entire $8 billion, H.R. 3694 brings the level of TEA-21 funding back to its anticipated level as set in 1998. This legislation will provide the State of Georgia a funding increase of over $134 million. Funding at this level will allow the county to meet current transportation needs and preserve jobs resulting in better services to our constituency.

In closing, on behalf of Fulton County, I want to emphasize how important it is for the committee to work diligently with Members of the House to accomplish reauthorization of TEA-21 and passage of H.R. 3694. I know you share my belief that it is our responsibility as elected officials on all levels of government to work together to ensure economic prosperity and to provide the best services possible.

Sincerely,

Chairman Mike Kenn

Georgia Department of Transportation

State Highway Alliance for Real Equity (SHARE)

Every year, motorists in Georgia pay over $1 billion in federal gas taxes, yet only 82% of that money is returned to Georgia for improvements to the state's transportation system, while the rest is distributed to states that hold considerable influence in the appropriations process.

Under ISTEA, from 1992 - 1998 Georgia received a rate of return of approximately 85% of federal gas taxes collected statewide. TEA-21 attempted to bring about a more equitable return to the states by creating the Minimum Guarantee program. While on paper the program guarantees at least a 90.5% return, it leaves a substantial amount of discretionary funding out of its formulas. Because so much money comes from discretionary funding programs, Georgia has not come close to approaching 90.5%.

With the Reauthorization of surface transportation programs due in 2003, Georgia has joined with other 'donor' states to form the *State Highway Alliance for Real Equity* (SHARE). The following are the issues that Georgia and SHARE will be stressing throughout reauthorization.

- Expanding the reach of the Minimum Guarantee to cover all federal highway program funds distributed to the states and ensuring a minimum rate of return of 95% on state payments to the Highway Trust Fund.
- Establishing a strong national transportation system that supports state and local decision making authority to allow each state to respond to its diverse needs.
- Continued and enhanced federal financial investment in the nation's transportation system.
- Continued support of TEA-21's budgetary firewalls.
- The full and prompt release of authorized highway and transit dollars so that funds may be put to use quickly to meet state transportation needs. The obligation authority for federal highway funds should be equal to the authorization levels each year.
- A transit equity guarantee to the extent that such guarantee does not threaten or dilute the equity distribution of highway program funds.

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