

**SURFACE TRANSPORTATION REAUTHORIZATION
BILL: LAYING THE FOUNDATION FOR U.S.
ECONOMIC GROWTH AND JOB CREATION,
PART 2**

(114-8)

HEARING
BEFORE THE
**COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE**
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
FIRST SESSION

MARCH 17, 2015

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**Committee on Transportation and Infrastructure
U.S. House of Representatives**

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Washington, DC 20515

Peter A. DeFazio
Ranking Member

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March 13, 2015

SUMMARY OF SUBJECT MATTER

TO: Members, Committee on Transportation and Infrastructure
FROM: Staff, Committee on Transportation and Infrastructure
RE: Full Committee Hearing on “Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth and Job Creation Part II”

PURPOSE

The Committee on Transportation and Infrastructure will meet on Tuesday, March 17, 2015 at 9:30 a.m. in 2167 Rayburn House Office Building to receive testimony related to reauthorization of the federal surface transportation programs. The Committee will hear from representatives of the National Governors Association, the American Association of State Highway and Transportation Officials, and the National League of Cities.

BACKGROUND

The Importance of Transportation Infrastructure

Transportation infrastructure provides a strong physical platform that facilitates economic growth, ensures global competitiveness, and supports national security. In addition, it affords Americans a good quality of life by enabling them travel to and from work, to conduct business, and to visit family and friends.

The Nation’s transportation infrastructure is an extensive network of highways, airports, railroads, public transit systems, waterways, ports, and pipelines. Over 4 million miles of public roads connect with nearly 20,000 airports, over 161,000 miles of railroad (freight and passenger), over 272,000 miles of public transit route miles, over 2.4 million miles of pipeline, over 25,000 miles of navigable waterways, and 360 commercial ports.¹

¹ U.S. Department of Transportation, Bureau of Transportation Statistics, *2015 Pocket Guide to Transportation*; Federal Railroad Administration, *The Freight Rail Network*; Federal Transit Administration, *National Transit Database*; American Association of Port Authorities, *U.S. Public Port Facts*.

The surface transportation components of this broader system play an integral part in the movement of people and goods. Specifically, highways carried more than 2.9 trillion vehicle miles (including cars, trucks, motorcycles, and buses) and public transportation carried over 55 billion passenger miles in 2012.² In 2012, all modes of transportation moved more than 19.6 billion tons of freight, valued at over \$17.3 trillion (in 2007 dollars).³ Of that total, trucks moved more than 13.1 billion tons, valued at over \$11.1 trillion.⁴

The Federal Role in Transportation Infrastructure

Providing the Nation with transportation infrastructure has long been recognized as a federal responsibility that is shared with state and local partners. The Constitution establishes congressional jurisdiction over transportation in Article 1, Section 8, which directs Congress to establish post roads and to regulate interstate commerce. The two Supreme Court cases of *Monongahela Navigation Company v. United States*, 148 U.S. 312 (1893) and *Wilson v. Shaw*, 204 U.S. 24 (1907) have further highlighted the role and responsibility of Congress in providing public infrastructure. *Monongahela Navigation Company* held, in part, that the federal government has the power to regulate commerce between states even if it means condemning and appropriating a lock and dam on a navigable waterway, and *Wilson* held that the Commerce Clause of the United States Constitution authorizes Congress to establish an interstate highway system.

Federal assistance for highway construction began in the early 20th century when Congress provided \$500,000 for highway construction in the Postal Service Appropriations Act of 1912. In 1944, Congress authorized significant expanded federal assistance for construction of a “National System of Interstate Highways.” Without a dedicated source of revenue, however, construction of the Interstate System stalled.

The landmark Federal-Aid Highway Act of 1956 and Highway Revenue Act of 1956 authorized significant funding for a 41,000-mile National System of Interstate and Defense Highways and established the Highway Trust Fund (HTF) as the mechanism for financing the accelerated highway investment. To finance the increased authorizations, the Revenue Act increased federal excise taxes paid by highway users and provided that these revenues should be credited to the Highway Trust Fund. This dedicated funding mechanism provided financial certainty for the highway program, including the Interstate Program. The 13-year authorization of the 1956 Act gave the states the continuity needed to develop and build highway projects. Since 1956, Congress has regularly reauthorized federal surface transportation programs.

MAP-21

Congress most recently reauthorized federal surface transportation programs in Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-141), which was enacted on July 6, 2012. MAP-21 authorized federal-aid highways, highway safety, and highway research and development programs at \$40.96 billion for fiscal year 2013 and \$41.03 billion for fiscal year 2014. For public transportation programs, the law authorized \$10.58 billion for fiscal year 2013

² U.S. Department of Transportation, Bureau of Transportation Statistics, *2015 Pocket Guide to Transportation*; Bureau of Transportation Statistics, *Table 1-40*.

³ U.S. Department of Transportation, Federal Highway Administration, *Freight Facts and Figures*, 2013.

⁴ *Id.*

and \$10.7 billion for fiscal year 2014. The Transportation Infrastructure Financing and Innovation Act (TIFIA), which provides credit assistance for surface transportation projects, received a significant expansion of authorization to approximately \$1 billion a year.

MAP-21 made significant programmatic and policy reforms to federal surface transportation programs. Among those reforms, it consolidated or eliminated nearly 70 U.S. Department of Transportation (U.S. DOT) programs, which afforded state and local partners greater flexibility with the use of their federal funding. MAP-21 reformed the project approval and delivery process for highway and public transportation projects, which allows projects to begin construction faster, maximizing the public investment and benefit. MAP-21 also emphasizes performance management by incorporating performance measures into the highway, transit, and highway safety programs, which focuses federal funding on national transportation goals, increases accountability and transparency, and improves transportation planning and project selection.

MAP-21 was set to expire on September 30, 2014. In the summer of 2014, Congress passed and the President signed the Highway and Transportation Funding Act of 2014 (HTF Act) (P. L. 113-159) in order to extend MAP-21 through May 31, 2015. As a result, reauthorization of federal surface transportation programs is a priority for the 114th Congress.

WITNESS LIST

The Honorable Patrick McCrory
Governor
State of North Carolina
On behalf of the National Governors Association

The Honorable Ralph Becker
Mayor
Salt Lake City, Utah
On behalf of the National League of Cities

The Honorable John Cox
Director
Wyoming Department of Transportation
On behalf of the American Association of State Highway and Transportation Officials

SURFACE TRANSPORTATION REAUTHORIZATION BILL: LAYING THE FOUNDATION FOR U.S. ECONOMIC GROWTH AND JOB CREATION, PART 2

TUESDAY, MARCH 17, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The committee met, pursuant to notice, at 9:35 a.m., in room 2167, Rayburn House Office Building, Hon. Bill Shuster (Chairman of the committee) presiding.

Mr. SHUSTER. The committee will come to order. I want to welcome everybody here today. I guess it is appropriate to say top o' the morning on this St. Patrick's Day. I notice that our three witnesses, none of them have green on. Mayor, is that green? I cannot tell. But with the last name of McCrory, you do not need to wear green. We know you are Irish. There you go.

But again, it is great to have you here. Our witnesses are the Honorable Patrick McCrory, who is the Governor of the State of North Carolina, testifying on behalf of the National Governors Association; the Honorable Ralph Becker, mayor of Salt Lake City, Utah, testifying on behalf of the National League of Cities; and the Honorable John Cox, who is the director of the Wyoming Department of Transportation, testifying on behalf of the American Association of State Highway and Transportation Officials. Thank you all for being here today. We really look forward to hearing from you.

This is our second hearing on the surface transportation reauthorization, which is one of our committee's top priorities. And it should be; it is a top priority for the Nation. We are actively working together with Ranking Member DeFazio and both sides of the aisle, working with our leadership in the House and the Senate, the Ways and Means Committee, and others to figure out the funding issues.

And because both sides of the aisle, both sides of the Capitol, and both ends of Pennsylvania Avenue are talking about the need for a long-term transportation or surface transportation bill, I feel confident we will get there, making the investments we need to make sure America is competitive and continues to improve the quality of life for Americans.

So again, I look forward to hearing from all of you today, and with that, I will yield to the ranking member, Mr. DeFazio, for an opening statement.

Mr. DEFAZIO. Thank you, Mr. Chairman. Having got here not very long ago due to a delayed flight, I forgot about the green. And I am half Irish, DeFazio, O'Shea, Crowley, and Buono. So I actually did bring, though, a green and yellow chart. So if I could have the green and yellow chart from the woman dressed all in green.

The green and yellow chart you see before you in honor of St. Patrick's Day—here is your version so you do not have to crane your neck, Mr. Chairman—shows the dependence of the States on Federal funding. And as you can see, it is generally about—the average is 51 percent. Many States are—we have 87, is I believe, the highest—well, no, 93 for Alaska, 79 over there for South Carolina. These are very high numbers. Oh, Rhode Island, 102. Oops, sorry about that.

So this is what happens if there is a shortfall—that is good. Thanks, Helena—in Federal funding. The chairman already referenced his desire, our common desire, to do a very robust 6-year reauthorization with adequate funding. I expect funding will be one of the linchpin issues. I will not go into the options that are out there, but there are options to move us forward with more robust funding.

But what I will say is that spring starts in a week, and that really is the traditional beginning of the construction season for the year. And States have already notified the Federal Government that they will be delaying or postponing or canceling projects. And I expect the number of canceled or delayed projects will grow very, very quickly over the coming weeks if we do not have a short-term bill.

Yes, we have a common objective on a 6-year bill. But just to get to the end of this year with anemic levels of spending would require \$10 billion, just slightly less than \$10 billion.

So we need some sort of a commitment from the Federal Government in the next week or two or three of \$10 billion or we will see a dramatic dropoff in construction activity this summer, costing the country jobs, costing the country needed investment, and actually causing higher future costs because much of this infrastructure is deteriorating at a rate that accelerates at certain points in its deterioration, where suddenly what was a million-dollar problem last year becomes a \$5 million problem this year and becomes a bridge replacement problem next year.

So I feel a tremendous sense of urgency. I did have an opportunity, since I spent so many hours getting here yesterday, to read all your testimony. I find much to agree with in there, and look forward to hearing more about it.

Thank you, Mr. Chairman.

Mr. SHUSTER. Thank you, Mr. DeFazio.

I now ask unanimous consent that our witnesses' full statements be included in the record, without objection, so ordered. We would like you to keep your oral testimony to 5 minutes. And again, your full testimony will be in the record.

I understand, Governor, you have to leave at 10:45, and I have to leave at 10:45. So you and I can depart together.

For those Members that do not get an opportunity to ask the Governor questions, hopefully we can submit them in writing to

him and we can get answers on it. And again, I ask all Members to abide by the 5-minute rule.

And I would now like to call on Mr. Meadows from North Carolina to introduce the Governor.

Mr. MEADOWS. Thank you, Mr. Chairman. It is my honor to introduce my Governor from the great State of North Carolina. And not only does he come to us with great experience as a Governor, but having served as a mayor, as a businessman, I know full well, Governor, that you understand transportation because you have traveled from Murphy to Manteo, some 545 miles.

To put it in perspective, that is like going from Washington, DC, to Maine. And if you can put all the different roads and different avenues of transportation that you would encounter from Washington, DC, to Maine, that is similar to what we have in North Carolina.

So as a pro-growth, as a guy who is focused on jobs and knowing the importance of that connection, it is my honor to welcome you here and introduce my friend and our Governor, Governor Pat McCrory.

Mr. SHUSTER. Thank you very much. And Governor, with that you can—

TESTIMONY OF HON. PATRICK MCCRORY, GOVERNOR, STATE OF NORTH CAROLINA, ON BEHALF OF THE NATIONAL GOVERNORS ASSOCIATION; HON. RALPH BECKER, MAYOR, SALT LAKE CITY, UTAH, ON BEHALF OF THE NATIONAL LEAGUE OF CITIES; AND HON. JOHN COX, DIRECTOR, WYOMING DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Governor MCCRORY. Well, thank you very much, Chairman Shuster, Ranking Member DeFazio, and members of the House Transportation and Infrastructure Committee. And I would like to also thank my good friend Mark Meadows. And I would like to also give my best to David Rouzer, who served in our North Carolina legislature. And I also see my old friend from South Carolina, the Myrtle Beach area. It is great to have you here, and it was great getting to know you many years ago.

I am speaking on behalf of the National Governors Association, and I am also speaking on behalf of the citizens of North Carolina. Most people do not realize this, but North Carolina now is the ninth most populous State in the United States of America. And I do not think they know that in Washington or New York, but we know it in North Carolina.

We are a very diverse State with a lot of transportation infrastructure needs. And I would like to thank you all for working on behalf of our State and all States in the United States.

I want to urge the Congress to pass a long-term Federal transportation reauthorization bill that provides States certainty and flexibility. And we need to make sure that we then make efficient use of transportation dollars that we use, just like we do with our own State dollars.

In North Carolina, we recognize that transportation infrastructure plays a crucial role in attracting business, supporting the sig-

nificant military presence in our State, and connecting people to health care, educational opportunities, jobs, and recreation.

In fact, just last summer Sealed Air announced it was bringing 1200 jobs to the Charlotte region, and specifically cited our surface transportation network, particularly Charlotte Douglas International Airport, as a major factor in the decision.

North Carolina maintains the second largest highway system in the country. Our ferry division is the second largest State owned and operated system in the country, and we also operate two major ports and support 99 public transit systems.

The majority of our Federal transportation dollars are needed to maintain this vast network. Much of our Nation's transportation infrastructure, as you know, is crumbling, and many aging structures and systems are unable to fill the modern-day demands.

States have to become more creative with our transportation dollars, and so does the Federal Government. In North Carolina, we have devised a mobility formula that ranks transportation projects on objective criteria based upon whether the projects relieve congestion, improve safety, and/or foster economic development. With this new approach, we will fund approximately 30 percent more projects during the next 10 years than we would have under the old, more political formula.

As mayor of Charlotte, I implemented a 25-year transportation plan, and now Charlotte is in the 18th year of that plan. Similarly now as Governor of North Carolina, I recently unveiled a 25-year transportation vision for the entire State that identifies and now hopefully will implement our future infrastructure needs.

Long-term investment in roads and bridges requires long-term planning. We are now moving to consider innovative funding options for implementing our 25-year plan in the State of North Carolina. We seek to leverage historically low interest rates by authorizing a \$1.2 billion transportation bond to the voters, hopefully this year. We are also working to stabilize our gas tax revenue and are exploring alternative sources of funding such as expanding State revenue-sharing from offshore energy production.

Despite our creative efficiencies, our efforts still fall far short of our needs. The funding sources we have available today in North Carolina will fund only about 18 percent of our transportation needs during the next decade. Twenty-eight percent of our transportation budget is Federal.

By the way, I also want to add that one-third of our transportation budget is currently in litigation, which is another issue I would be glad to talk to you about in the future.

While we are doing our part to address this shortfall, we still need support from a strong and reliable Federal partner. I am not here to endorse devolution of the Federal program, but to advocate for strengthening the Federal/State partnership and relationship. Elimination of the Federal program would be catastrophic to our State and many States throughout the United States, and not only to North Carolina, but everywhere, to the country at large.

Consider that North Carolina is home to 7 military bases that are the headquarters for some of the Nation's most vital commands and 110,000 active duty personnel. Failure to invest in surface infrastructure that delivers freight to our military and provides de-

ployment access points will degrade our Nation's military readiness.

I consider myself an Eisenhower Republican. I have said that since I was mayor for 14 years, and am now in my third year as Governor of North Carolina. And it is no surprise that a military person, President Dwight David Eisenhower, is the father of our interstate system. His vision connected America's East to the West, the North to the South, rural and urban. Connectivity is what it is all about. He knew that without the unifying force of transportation, and let me quote, "we would be a mere alliance of many separate parts." That also applies to North Carolina's 100 counties.

Similarly, our strategic long-term plan in North Carolina will connect the far west of our State, in Congressman Meadows' district, to Congressman Rouzer's district in the east. In 2012, Congress passed MAP-21, which authorized highway and transit laws for 2 years and was extended last summer for 10 months.

Without your action, as the chairman mentioned, the extension will expire in a short 10 weeks. Important surface transportation programs will halt at the height of the construction season, risking thousands of jobs and disruption to important projects.

I am here on behalf of all the Governors. And I know my time is up. We need action now. And I want to do everything I can as the Governor of the ninth largest State to support that action and to come up with viable solutions for the long term.

Thank you very much, Mr. Chairman.

Mr. SHUSTER. Thank you, Governor.

And with that, Mayor Becker. Your city is the fifth fastest growing city in America, I understand, so we want to hear what you are doing in Utah, and give us some guidance here in Washington.

Mr. BECKER. Thank you, Chairman Shuster, and thank you so much—

Mr. SHUSTER. Can you pull the mic a little closer to you?

Mr. BECKER. OK. Thank you.

Mr. SHUSTER. It moves.

Mr. BECKER. Oh, it does. There we go. OK. Thank you. Thank you, Chairman Shuster, and it was a pleasure having you in our community last year. And I hope it was worthwhile for you as well. Ranking Member DeFazio, thank you as well, and other members of the committee.

I am Ralph Becker. I am the mayor of Salt Lake City and the president of the National League of Cities, NLC. NLC is the Nation's largest membership and advocacy organization for city officials, serving as a resource for 19,000 cities, towns, and villages across the country, and representing more than 218 million Americans.

As the mayor of Salt Lake City and president of NLC, I have seen what can be achieved when partisanship takes a back seat to policy. Last week I was honored to welcome the President to our annual Congressional Cities Conference, where he made clear his commitment to our infrastructure needs. And of course, we are grateful to have one of our own, the former mayor of Charlotte, Anthony Foxx, serving as Secretary of Transportation. So obviously, the mayor of Charlotte is a big steppingstone for folks from that great city.

The visibility of the dialogue between leaders on this committee and Secretary Foxx at the Department of Transportation is encouraging. We are hopeful that Congress and the administration can work productively together to craft a legislative solution that avoids the chaos and the crisis we would endure if the surface transportation programs are permitted to expire.

Among local officials, no Federal priority rates as consistently high as transportation infrastructure. That is because for cities, every transportation project is a partnership—with other local and regional authorities, with the State, with the Federal Government, and with the private sector. This is certainly the case for our transportation initiatives in Salt Lake City.

For example, few would have predicted a generation ago that Salt Lake City would become one of the light rail capitals of the Nation or that we would bring streetcars back to our city. But our TRAX light rail system, our Sugar House Streetcar, and our Bike Share program reflect some of the changes our Nation is experiencing in metropolitan areas all across the country.

By necessity, locals are stretching the value of every dollar to invest in small- and large-scale projects of practical design. We are making existing corridors more efficient and multimodal, and doing so in ways that increase capacity at less cost to the taxpayer. These locally driven solutions are offering more travel options to the public, helping shippers and businesses keep goods and products moving and delivering a bigger boost to investors, developers, and our economies overall.

Unfortunately, uncertainty at the Federal level is driving up the cost of financing and stalling projects, and many States are compounding the problem by limiting the authority of municipal governments to raise new revenue through taxation. Since 1978, 30 States have enacted formal limitations on taxes, budgets, or outlays on local governments.

As you know, when the Federal Highway Act was signed into law in 1956, it was federally planned and coordinated. But it responded to urgent local needs, calling for cities and towns to be better connected. Today this vision needs an update.

Technological advances and demographic shifts are challenging the assumptions on which our current system is based. Smartphones have enabled users to access transit information in real time, raising expectations for reliable and on-demand service. Electric cars are becoming more viable and less expensive. And autonomous vehicles, driverless cars, are being developed as we speak, as the chairman knows well. Our transportation systems will need to adapt to these developments.

Demand for public transit and active transportation is also rising at a rate that is way beyond current capacity. The greatest demand and energy for transportation improvements in Salt Lake City comes from transit, biking, and pedestrian improvements.

Transit agencies have reported growth in ridership in 12 of the last 15 years. Currently there are 99 transit expansion projects and 23 major system renovations underway throughout the country in addition to almost 100 other projects in the pipeline.

Young people aged 16 to 34 drove 23 percent fewer miles, on average, in 2009 than in 2001. In that same age group, only 67 per-

cent of Americans have driver's licenses. And according to the 2009 National Travel Survey, 1 in 12 U.S. households is completely car-free.

From 2000 to 2012, the number of people who primarily bike to work has increased 60 percent nationwide. In larger urban areas, the number of bike commuters has more than doubled. Bike share systems have become commonplace, with 49 American cities, including Salt Lake City, implementing new systems, and many more in planning phases.

I know that the safe and efficient movement of commercial goods is also high on the agenda for the next authorization. Every link in the movement of goods, from ports, agricultural centers, and manufacturing plants to their destination should be strong. But our first and last miles are falling behind.

The Federal Government is devoting a significant investment to the modernization of U.S. ports to accommodate Supermax container ships and assure America's global economic leadership. Investment in the roads between our ports and highways should be made in conjunction with ports modernization. But unfortunately, these municipally owned stretches of road are among the most neglected.

None of this is to express preference for any particular mode. In Salt Lake City, for example, we need all of our modes functioning at a high performance level, and I know that is the case in all of our cities across the country.

We now have more choices than ever, but our authorized transportation system at the Federal level does not reflect this shift. And in Salt Lake City, where 55 percent of our air pollution is from mobile sources, we need all the choices we can get. So however the future of transportation unfolds, we know the committee will need to balance investment with maintenance.

Local governments own and operate 78 percent of the Nation's road miles, 43 percent of the Nation's Federal aid highways, and 50 percent of the Nation's bridge inventory. However, over the past 20 years, roughly 80 percent of all funding has consistently been reserved for the highway system. And although the remaining 20 percent is theoretically devoted to transit and other alternative transportation programs, it is not easy to steer funding that passes through State departments of transportation away from auto-oriented projects.

Congress ought to fix this imbalance. The next transportation bill should directly allocate greater funding to local governments and provide more flexibility for local decisionmakers to choose the best mix of transportation options to fit regional needs.

NLC is working in partnership with the other major local government organizations to build support for a much-needed course correction, not a radical departure from the current authorization. My written testimony includes four specific proposals supported by NLC, the U.S. Conference of Mayors, the National Association of Counties, the National Association of Regional Councils, the Association of Metropolitan Planning Organizations, and the National Association of Development Organizations.

Our proposal would reorient Federal transportation policy toward cities and metropolitan areas, where the changes in the transpor-

tation market are happening, and they would strengthen the partnership among all stakeholders to improve the quality of project selection, the practicality of design, and the value of every dollar spent.

On behalf of the National League of Cities, I would like to offer the ongoing assistance of the elected and appointed officials from our members and staff as you pursue the long-term, well-funded transportation reauthorization we all seek and for which we all strive. Let us know how we can help. Thank you.

Mr. SHUSTER. Thank you, Mayor.

And with that, Director Cox, please proceed.

Mr. COX. Chairman Shuster and Ranking Member DeFazio, members of the committee, my name is John Cox and I am serving as president of the American Association of State Highway and Transportation Officials or AASHTO, which is much easier to say. I have also had the privilege of serving as the Wyoming Department of Transportation director for just a little bit over 10 years.

My main message this morning is to urge prompt action on a well-funded, long-term highway transit and highway safety bill. Our country needs a Federal transportation system program with robust investment levels coupled with long-term funding stability. Furthermore, the program should provide States with flexibility by preserving the percentage of funds distributed by formula, and by streamlining regulations and program requirements.

Throughout our country's history, transportation has played a pivotal role in the success of our economy. While States have done a great job of addressing transportation within their boundaries, there is clearly a need for a cohesive national transportation system.

In Wyoming, for instance, I-80 stretches 401 miles across the southern part of the State. Over half of the traffic on this route is trucks, and over three-quarters of that truck traffic is in transit through Wyoming between Midwest markets and west coast ports, carrying all manner of goods, from agricultural commodities to raw materials and manufactured goods. This traffic, which is national commerce, would not be possible without an effective interstate transportation system.

As you know, our national highway program at its core is a federally funded, State-administered program based on a 100-year-old partnership between the Federal Government and State DOTs. The State department of transportation plays a critical role in ensuring a safe, reliable, and efficient transportation network.

In 2013, my Governor, Governor Matt Mead, sought to establish a sustainable State funding base for transportation projects by signing a 10-cent increase in the State motor fuels tax law. Supported by business and civic groups like the Wyoming Taxpayers Association, and with strong legislative leadership, this action has allowed us to raise over \$70 million per year to invest in both State and local transportation infrastructure.

Dozens of other States are successfully adopting legislation that increases revenue for transportation investment. But it is important to note that States take action to supplement the Federal program and not as a substitute for it.

State departments of transportation have strong partnerships with local governments in their respective States. The transportation planning process requires our DOTs to work extensively with local planning agencies and the public in developing multimodal transportation plans and identifying projects that are supported by Federal dollars.

This process works, and it is the foundation of the performance-based program requirements that were established 2½ years ago in MAP-21. State DOTs have strong, productive partnerships with local governments, and the transportation planning process is working well. We would not alter the federally funded, State-administered nature of the program.

Before closing, let me comment on some regulatory points. We need to be careful when it comes to developing and implementing Federal regulations. A number of currently proposed rules would impose new requirements, increasing administrative costs at a time when construction inflation eats away at the flatlined Federal funding level.

One proposed rule would have States collect multiple data items for all public roads, including unpaved and low-volume roads. Scarce dollars would be much better used on road and bridge projects. Simply put, we need to continue working on reducing administrative burdens and maximizing actual transportation outcomes and services from Federal program dollars.

MAP-21 made significant changes in the project delivery process to accelerate the speed at which we can maintain and improve highway and transit projects. We can build on this with additional streamlining provisions in the next bill, and we can propose streamlining ideas.

To conclude, AASHTO remains committed to helping Congress pass a robust, long-term surface transportation bill as soon as possible. The current extension expires in the middle of this spring construction season, and already several State DOTs are postponing needed projects because of the unpredictable Federal funding.

For example, Tennessee, Arkansas, and my State, Wyoming, have already postponed multiple projects, ranging from \$28 million in Wyoming to \$400 million in Tennessee, because of the uncertainty in Federal funding. The sooner Congress acts, the greater the likelihood that these important projects will not be pushed back another year.

Mr. Chairman and committee, I want to thank you again for the opportunity to testify today, and I look forward to the questions.

Mr. SHUSTER. Well, thank you all very much. And it is really important having you here, the three of you. You are the front lines out there. You see the problems firsthand, whether it is streamlining—and one of my focuses is going to be the streamlining to build on what Chairman Mica did in MAP-21. And I think there are important reforms in that. Some of those are being implemented today, slowly; some of them are being implemented in ways that we are going to have to tighten up the law to make sure that streamlining occurs.

But every time we do a Federal surface transportation bill, there are those that talk about eliminating the Federal role. And I think

you all three made it pretty clear. But if that were to happen, can you give us some specifics on what the outcomes would be if we were to eliminate the Federal role, which of course I do not advocate, but just so folks understand. And you are the folks that know what is going to happen out there.

So Governor?

Governor MCCRORY. Well, it is obvious there would be major financial implications. And you know the numbers on what it looks like for each State. But I think it really goes back to the whole connectivity issue.

One of our country's biggest challenges and my State's biggest challenge is connecting economic regions with other regions that are not faring as well during this recovery. And if we have hodge-podge type of planning up and down the east coast or going east to west or north to south, you are going to have major segments of our transportation system in turmoil, which will impact the trade and commerce of the United States, and also impact the environment of the United States.

So I believe in an interconnectivity plan, connecting East with West, North with South, rural with urban, ports with areas of commerce, and the list goes on and on. And if we do not have that Federal presence, I think we would go back to a system in which there is not a clear planning, and I think there would be a waste of dollars on roads and other infrastructure that do not have an interconnectivity to other investments, both the Federal, State, and local governments.

Mr. SHUSTER. Mayor?

Mr. BECKER. Thank you. I think I would just add that if you look at, as I know we all have, the history of the Federal role around transportation in this country, it goes all the way back to the beginning. The Federal Government played the key roles in canals and then in railroads and then obviously with the Interstate Highway System and with the transit system.

And as we are moving into this new arena, I think our Federal partnership is needed more than ever for the reasons that both our national economy is so completely dependent on having a good circulation system, whether it is a local circulation system or whether it is an interstate or interconnected system or whether it is ports to other means and modes of transportation.

The Federal role has always been there, and the great challenge we have today is we have an uncertain partner. And we cannot plan and design with the long-term projects that we have based on that uncertainty.

Mr. SHUSTER. Director Cox?

Mr. COX. Mr. Chairman, obviously AASHTO does not support devolution. We are 1 of 38 organizations that signed a letter sent to Members of Congress yesterday opposing devolution presentations. We support a strong Federal highway and transit program. As I stated in my testimony, a strong Federal program is needed to support interstate commerce, and I gave examples from I-80 across southern Wyoming.

According to some data that was released by the American Road and Transportation Builders Association yesterday, in Wyoming we would have to raise our fuel tax 30-plus cents per gallon in order

to make up the difference. Looking at the chart that ARTBA released yesterday, there is not one State in the country that could go through what I went through, what we went through in Wyoming to raise the fuel tax on the stateside 10 cents, and break even. So the impact in terms of cost at the State level would be considerable.

Mr. SHUSTER. Thank you. And Governor, you mentioned a staggering statistic. One-third of your highway funding is wrapped up in litigation. Is it the funding part of it? Is it environmental? Is it all the above?

Governor MCCRORY. Most of it is a type of environmental, where we have projects that have been held up due to woodpeckers, to snails, to other types of species under the Endangered Species Act. And you can delay a project 5 years, 20 years, 50 years, and it gets more and more expensive the longer we delay. We put a lot of money into lawyers and lawsuits.

And not only that, but it ties up the money, and that is one area where we would like some more flexibility at the State level. If we do have a project tied up, let us have the flexibility to transfer that money to another high-priority project. I want to respect that relationship. If you allow us to transfer that money, allow us to transfer that money to a higher priority project which would have also a positive impact on not only the statewide system but the system connecting the Nation.

Mr. SHUSTER. Thank you.

Mr. DeFazio?

Mr. DEFazio. Thank you, Mr. Chairman. I would observe that, Governor, your State has the third highest gas tax in the country. Utah just changed to a percent basis for fuel taxes, and I think it has an inflation adjuster in there. And Mr. Cox, you testified that Wyoming, which is a somewhat conservative State, shall we say, just raised their gas tax 10 cents.

And I guess what I would ask all three of you to reflect on quickly yet again, just to emphasize it—because some Members may have been distracted; I had a phone call—that even despite this incredible amount of self-help, third highest gas tax in the country, moving to a percent basis, up a dime, you still need the Federal program.

Just emphasize that just one more time because we still have a few devolutionists around here. I know the chairman asked this, but I just want to put a nail in the coffin, stake through the heart, and garlic around the neck.

[Laughter]

Governor MCCRORY. Well, again, yes. The answer is, we need that money. And listen, I understand the theory of devolution. But when it comes to infrastructure as opposed to other types of Federal Government, infrastructure does not recognize city, county, or State boundaries.

Congestion does not recognize that. Neither does the environment recognize that. And trade does not recognize that. When you are stuck in traffic, they do not know what city or county they are in or State in many instances. So we must have an interconnectivity plan.

And we have worked—in fact, I just supported an effort in my own legislature to stabilize the current gas funding source. There was an effort to reduce the gas tax in our State based upon other factors going on right now. And I supported an effort to stabilize the current funding source that we have now.

I also need to let you know we all need to recognize, because of fuel efficiencies and other factors, we are going to have to look for other types of revenue sources to help pay for the needed infrastructure. And that is the process that I am going through now, looking at other alternatives in addition to the current user application of the gas tax.

Mr. DEFAZIO. I would be happy to talk to you about that. Spent a lot of time on it. But dealing with the existing revenue source, you could index it to fleet fuel economy and construction cost inflation, which I have recommended at the Federal level. And that would help deal with that in the short term. Long term we will probably go to vehicle miles traveled, but there is privacy and other issues.

Mayor?

Mr. BECKER. Yes. Thank you for the question. So just last week our State legislature—we concluded our session last Thursday night—adopted a change in our gas tax to a 12-percent sales tax on gas and increased the gas tax effectively by 5 cents. In addition to that, they provided local authority to increase our sales tax so that we could provide better for our roads and other transportation needs, transit and other needs.

We are a very conservative State, as everybody knows, I am sure. But it was recognized that when we start putting more and more of our General Fund money and other money into roads—and the average is more than 50 percent in Salt Lake; it is 70 percent now, we pay for roads out of General Fund money, for example—we are really hurting every other function that we have to perform at the local level.

So we provided basically an indexing to deal with inflation. We provided for an increase. And we provided for local transportation needs, and for the changing needs around transit and active transportation. It was remarkable. We have done the same thing in Salt Lake City. A very conservative place. We increased our property taxes 2 years ago to provide mostly for our transportation infrastructure that was falling apart.

So the partnership has always been there, and it makes it extremely difficult for us to do our jobs without the Federal partnership.

Mr. DEFAZIO. Mr. Cox?

Mr. COX. Ranking Member DeFazio, you mentioned in your opening statement and you showed this chart with the various levels of dependency on Federal funds among the States. I think you said the average was about 51 percent. So I will start with my most embarrassing fact first. Wyoming was about 68 percent dependent at one time. That is much better because of the 10-cent fuel tax hike than it was at one time. But I would tell you that that universal balance there where the States are dependent speaks for itself.

But I think, more importantly, as the Governor started this morning, he mentioned the connectivity issue between the States.

The strong Federal role and partnership has been proven for 100 years. And so when done right, it has stood the test of time. We think that it needs to be continued.

Mr. DEFAZIO. Thank you. Thank you, Mr. Chairman.

Mr. SHUSTER. Thank you. It must be lonely out there, Mayor, with all those Republicans that surround you.

Mr. BECKER. We are friends.

[Laughter]

Mr. SHUSTER. It sounds like you are working together. That is great.

With that, Chairman Mica.

Mr. MICA. Thank you. And I think there is a lot of support for passage of a strong transportation highway bill. You all testified that you support a strong Federal program. Is that right? Governor? Governor? Governor? We have got three nods, for the record.

And this Federal activity in transportation consists of two things. It consists of funding and basically regulation. Is that pretty much correct, too, Governors? Yes. So I do not think anyone testified that you want more Federal regulation. In fact, I heard you do not want that. So basically, what you are here for is asking for more Federal funding.

In MAP-21, we tried to do everything we could to devolve much of the funding and the responsibility to the States. I would have liked to have gone even further. When you say devolution, some folks mean turn the whole thing over to the States. Others mean that we can be a strong partner and help finance.

Let's go through regulations first. We streamlined the permitting process. Mr. Gibbs and all of these guys here, Mr. Ribble, all these guys did an incredible job, I think, in streamlining that. We also allowed devolution of some of the permitting. And I understand California, Texas—I know Florida is working on it, and I think Utah has an application in to take over some of the permitting. What about the others? Can you comment? North Carolina?

Governor MCCRORY. Sure. What we have liked so far is some of the categorical extensions and giving us some flexibilities. And that is what I am really looking for.

Mr. MICA. Well, we have given you that. But you also have the ability to do some of the permitting, and that would speed things up devolving.

Governor MCCRORY. Absolutely. We can speak—

Mr. MICA. So you will be having your secretary send me a letter, a note, on when that is going to start. Right? Because I am one of your constituents. I have a place. I have been paying taxes in Watauga County for 35 years.

Governor MCCRORY. I am glad to hear that. Thank you very much. I appreciate that. I am going there next week.

[The letter that Congressman Mica requested of Governor McCrory follows:]



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

ANTHONY J. TATA
SECRETARY

March 31, 2015

The Honorable John Mica
U.S. House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

SUBJECT: NCDOT's Use of MAP-21 Environmental Streamlining Provisions

Dear Representative Mica:

In response to questions posed to Governor Pat McCrory at the March 17, 2015 House Transportation and Infrastructure Committee hearing on surface transportation reauthorization, North Carolina has implemented a substantial number of the MAP-21 provisions specific to streamlining project delivery. Governor McCrory requests that this letter be made part of the official hearing record.

The North Carolina Department of Transportation (NCDOT) has implemented a number of those provisions, including the following: Section 1302 (Advance acquisition of real property interests), Section 1304 (Innovative project delivery methods), Section 1305 (Efficient environmental reviews for project decision-making), Section 1306 (Accelerated decision-making), Section 1309 (Accelerating completion of complex projects within 4 years), Section 1310 (Integration of planning and environmental review), Section 1311 (Development of programmatic mitigation plans), Section 1318 (Programmatic agreements and additional categorical exclusions), Section 1319 (Accelerated decision-making in environmental review), and Section 1320 (Memoranda of agency agreements for early coordination).

NCDOT has expanded use of Categorical Exclusions (CE) similar to the intent of Section 1316 and has a programmatic agreement with the Federal Highway Administration (FHWA) for documentation requirements and approval procedures of Federal-Aid Projects classified as CE. We have begun exploring with FHWA partners the opportunity to expand the state's role in having delegated authority to approve National Environmental Policy Act (NEPA) documents as permitted in Section 1312.

NCDOT has previously sought technical assistance for a stalled NEPA document, similar to assistance described in Section 1309. FHWA, through its North Carolina office, has worked with us to develop a plan of action on an Appalachian Regional Commission project. This project, located in the western portion of our state, has stalled due to environmental concerns. NCDOT and FHWA are currently in the process of implementing the Institute for Environmental Conflict Resolution's recommendations to restart the planning process.

NCDOT has combined a Final Environmental Impact Statement (EIS) with the Record of Decision on one of the Department's turnpike freeway projects, as permitted in Section 1319. We are planning to combine the Final EIS with the Record of Decision on another major urban loop turnpike project that is currently in the planning process.

Representative John Mica
March 31, 2015
Page 2

Several Programmatic Agreements have assisted with streamlining the project delivery process. These include agreements for our "Merger" process (which merges the NEPA and 404 permitting into a parallel coordination process), off-site compensatory environmental mitigation, historic resource review, FEMA compliance and associated reviews, and an agreement with the U.S. Fish and Wildlife service in the eastern portion of the state regarding the northern long-eared bat. NCDOT staff are currently working on a U.S. Coast Guard permit needs screening process. In addition, we have developed a Low Impact Bridge program and Express Design-Build Program that builds upon the spirit of MAP-21 by reducing significantly the environmental study requirements and timelines for hundreds of bridge replacement projects.

NCDOT currently has an initiative underway to integrate Long Range Planning and NEPA that has already been partially implemented through more informed project scoping meetings where the long-range planners are providing information directly from their work to the NEPA practitioner.

With the support of MAP-21 provisions we are actively seeking additional ways to streamline our project development process. Ongoing efforts include the expanded use of Geographic Information Systems to make decisions on recommended project alternatives, reviewing the possibility of reducing the level of design detail that is needed to make decisions on the recommended alternative, aligning more planning and design work in a parallel versus sequential process, and continuing to explore various other areas where we can utilize programmatic agreements.

We are very fortunate to have a supportive partner in the local FHWA office. John Sullivan, FHWA North Carolina Division Administrator, and his entire staff work very closely with us and assist us with many project streamlining initiatives. In addition, we have various interagency groups that work together on specific projects, multi-agency initiatives, and programmatic agreements. These interagency groups have helped to enhance the relationships and communication across the various agencies. This ultimately aids in our project delivery.

Thank you for your leadership in getting the improvements enacted in MAP-21. To reinforce the comments made by Governor McCrory, the stability and predictability that would come from an appropriately funded, long-term reauthorization act is critically important to North Carolina and all states. If you have any questions or if I can be of more assistance, please do not hesitate to contact me at ajtata@ncdot.gov or 919-707-2800.

Sincerely,



Anthony J. Tata
Secretary, North Carolina Department of Transportation

cc:

The Honorable Bill Shuster, Chairman, House Committee on Transportation and Infrastructure
The Honorable Peter DeFazio, Ranking Member, House Committee on Transportation and Infrastructure
North Carolina Congressional Delegation
National Governors Association

Mr. MICA. All right. And, let's see, Utah is currently applying. Is that correct?

Mr. BECKER. I believe so. I have been hearing a little bit about it.

Mr. MICA. Well, you have got to know more, because 2 years ago we intended to devolve the regulatory process more to the States. And you can do it. So I will expect that letter, too.

Governor Cox [sic]?

Mr. COX. Thank you for the promotion, Representative Mica. Wyoming has not made any moves similar to Texas and California at this point. Let me make a statement, though, quickly on behalf of AASHTO.

To the extent that MAP-21 extended some State authority that could be applied for and granted at the State level, let me speak just specifically for a second to projects within the right-of-way. We think that there is an opportunity here in the next bill to extend those privileges under NEPA to include transportation conformity determinations.

One area where there has been progress is inside the right-of-way. When a State has a short construction season, that is us, and that is virtually any Northern State, and has to wait for a clearance or permit from some non-DOT agency. That can be the difference in whether or not the project can be completed.

Mr. MICA. We put provisions in there. That needs to be strengthened. Great recommendation.

The other thing—and even though you are a former chairman you only get so much time—the other thing I would like to see from you and from your secretaries of transportation for the record is what we have put in law—and we had good intentions to speed things up in permitting.

But I would like to see where the problems are, where the Feds are not operating as we intended. Most of our recommendations came from our States. All of our recommendations came from our States. We could not get them all in. And then what is lacking.

One of the things, real quick, to end up on: The lawsuits, have they increased in the last 2½ or 3 years? And I wonder if any of that has been impacted by what we did in the law. How does it compare with before MAP, Governor McCrory? Or if you do not have it—

Governor MCCRORY. I do not. I will get that information back to you. By the way, I do know—

Mr. MICA. I would like to know if we had an impact in increasing the litigation through some of the things that we did.

Governor MCCRORY. A lot of the litigation I inherited during my first 2 years has been around a long, long time. And I also agree with Mr. Cox about the right-of-way, and that is a big issue for us. And the other issue is wetlands, another major area of delay.

Mr. MICA. Once we take out “navigable,” you will be fine. Thank you.

Mr. SHUSTER. Thank you, Mr. Mica.

Ms. Norton is recognized.

Ms. NORTON. Thank you, Mr. Chairman. I very much appreciate this second hearing.

Mr. Cox, perhaps also Mayor Becker, not until I became ranking member of the Subcommittee on Highways and Transit had I focused on a big part of our transportation bill that I bet most of us do not even know much about, and that has to do with roads through Federal lands.

I think of this issue because of Wyoming and Utah. In my own district there is Arlington Memorial Bridge, for example, the gateway to Arlington Cemetery and to Virginia and to all the Southern States. But that is not included in your State allocation, and it should not be because these are assets on Federal lands.

As a result, because we have not paid as much attention to these roads through places like Yellowstone and Grand Teton and the Arlington Memorial Bridge that I just named, there is this huge, growing backlog, which is not the responsibility of the States.

I wonder, Mr. Cox, for example, if you—by the way, I assume that these Federal lands are responsible for some tourism and therefore for revenue to the States. I wonder if you would say something about the transportation needs on Federal lands in places like Wyoming. Do you agree that they are a critical component, albeit not from your State allocation, of the needs that must be attended to by a bill?

Mr. COX. Mr. Chairman, Representative Norton, from both a Wyoming perspective and a national perspective, we support both the Federal Lands Transportation Program, and I will mention something here that adds to that, and that is the Tribal Transportation Program.

You mentioned the national parks, Yellowstone and Grand Teton National Park, and we have also got many miles of National Forest highway as well. Ensuring access to these parks and transportation within those facilities is clearly a Federal responsibility, but I will tell you that it is the second largest revenue generator in Wyoming, the second largest industry.

It is also important to support our Nation's tribal communities. I just got a figure yesterday that there are just short of 600 different recognized tribes of Native Americans within the United States. And those tribal lands include a large portion of Wyoming, equal to the largest county in Wyoming. And if you will allow me to focus for one second here, I want to tell you a success story that reinforces our support of Federal lands in the program.

The collaboration between WYDOT, my organization, the Arapaho and Shoshone Tribes, which are the residents of the Wind River Reservation, in the center of Federal lands led to a successful overhaul and construction of a road called 17 Mile Road, which on a VMT basis was the deadliest piece of highway in Wyoming.

And we just finished that last year and turned it over to the tribes. So without that collaboration from those three angles and without the participation of the Federal lands program, it could not have been possible to get done what we did.

Ms. NORTON. Mr. Becker?

Mr. BECKER. Thank you, Delegate Norton, and nice to be back in my home town. Appreciate your representation.

As a former National Park Service employee, obviously these issues are near and dear to my heart, and public lands really represent two-thirds of the land mass in the State of Utah. The cur-

rent backlog just for national parks, maintenance backlog, is \$6 billion, and that has been growing. It is not part of the State and local funding mechanism, and so we see this increasing deterioration affecting obviously the incredible tourism destination the national parks represent in Utah and across the country.

The recommendation that we have heard is that that funding allocation from the transportation bill be increased from \$240 million to at least \$365 million, with progressive increases to be able to keep up or at least start addressing this backlog in maintenance. And any of you who have traveled in national parks realize not only their beauty but that their infrastructure is deteriorating. Thank you.

Ms. NORTON. Thank you, Mr. Becker.

Governor McCrory, I wonder, if you were mayor of a big city like DC, we have seen an enormous increase in preference for transit, bike, and pedestrian trails. There has been some controversy—well, why should highway money go to these transportation options?

Have you seen or do you agree that allowing people to pursue these options draws significant amounts of traffic off of our highways and therefore are viable options that should be funded in the transportation bill?

Governor MCCRORY. I think what they do is provide options, and options are always good. The more choice you have in transportation, the more beneficial it is to the quality of life, environment, and choices that the consumer has.

And what we have in our statewide formula for our cities and towns, both rural and urban, are a variety of options that are put into the formula that are looking at how much does it relieve congestion? How much does it help safety? And also how much does it help deal with the economic opportunities of that area, whether it be large cities or small towns alike?

So we include all those options in our formula, and we think that is an important part. But in North Carolina, I have tried to take the politics out of all those options and do it based upon a formula. And so we get the biggest bang for our buck on where we spend the money. How we spend the money in a city like a Raleigh or Charlotte might be different than how we spend the money in a Tryon or a North Wilkesboro.

Ms. NORTON. Thank you.

Mr. SHUSTER. I thank the Governor.

Mr. Crawford is recognized. Five minutes.

Mr. CRAWFORD. Thank you, Mr. Chairman. Gentlemen, I appreciate you being here today.

Governor McCrory, I want to visit with you a little bit. Your State took on a pretty big change in your transportation project selection process. What prompted you to do that? Talk about that a little bit.

Governor MCCRORY. Well, we were making a lot of decisions on our roadbuilding based upon politics. And as you went down, we did not have the interconnectivity that we should have had. You would go down from the East to the West, North to the South, and we would have highways going from two lanes to four lanes back to two lanes back to eight lanes. And it made no rhyme or reason on why the roads were wide in one area and very narrow in others.

And we also saw that it was not an efficient use of limited tax dollars.

So in a bipartisan agreement, Republicans and Democrats both agreed to change that formula. In fact, my good friend, Mr. Rouzer, helped support that when he was in the State legislature. We now base our formula on how we spend money on congestion, on economic opportunity, and on safety, the three major criteria of how we decide to spend the money.

And instead of just looking at project by project, we are now looking at, in our bond referendum, which I hope to bring to the voters of North Carolina, a connectivity plan—for example, from Asheville down to the coast of Wilmington near your district. And that is, we look for the choke points in that 6-hour drive and we unleash the choke points, which does not mean every county between those choke points is going to have a project.

But if we unleash the two or three major choke points, it benefits every county between Asheville and Wilmington, North Carolina. And then we have good commerce among counties, just like I ask for the same interconnectivity on I-95 or I-40 or I-85 or I-77 or I-26, which are all intersecting in our State, which are important for the commerce not only within our State but between States.

I see the congressman from South Carolina. We need connectivity between Myrtle Beach and Wilmington. It is a very important corridor.

Mr. RICE. Do not forget 73.

Governor MCCRORY. So that connectivity crossing political jurisdiction is extremely important, and that is the plan that we have implemented in North Carolina. And in just the short term—I think I have statistics in front of me that have been given by my staff—we have now, I think, added about 300 more projects based upon the new formula. And they are going to be much more interconnected projects, which have long-term sustainability for all of North Carolina, and I think the Nation also in the Southeast.

Mr. CRAWFORD. Safe to say that it has been pretty well received by the general public on that transparency and the streamlining the process, taking the politics out?

Governor MCCRORY. Absolutely. And I think where I keep bringing up Eisenhower, for each of you, too, is I think as we look for more funding, Mr. Chairman, we need to also show the vision of where we plan to have this interconnectivity from a national perspective, from a regional perspective, from a State perspective, and even, yes, to a local perspective.

If we show that, where we are planning to spend that money, and show that we do have a plan and a vision for the next generation and the generation after that, I think people are willing to pay for it. But if we do not have their trust and spend the money as we have always spent it, I do not think we are going to get the trust of the people to increase the amount of funding for transportation.

And my first step is to gain the trust of the public, to show them this is how we are making the decisions and this is the vision for the next 25 to 50 years. I think we have to do that at all levels of Government. I did it as a mayor with regards to mass transit;

I showed them our 25-year plan. But without showing the plan, I do not think we would have ever received the support of the voters.

Mr. CRAWFORD. Thank you, Governor. Appreciate it, gentlemen. I yield back.

Mr. SHUSTER. Thank the gentleman.

Mr. Sires?

Mr. SIRES. Thank you, Mr. Chairman.

Well, first let me say I enjoyed very much your comments. I agree with just about everything you said, and coming from a State like New Jersey, where fees are very prominent on any roads. So I was just wondering, you are looking at alternative funding. And I know that—this is a bad word, toll roads—and I was just wondering where that fits in.

And Governor, my best friend is moving to your State, and he just told me that you built a road where you charge 40 cents in North Carolina, and people are boycotting it because you are charging a toll on it. I was just wondering if that is accurate. But I cannot imagine that the States you come from, tolls are an alternative for funding transportation projects.

Governor MCCRORY. Well, one rule we have in our State is if we ever do a toll, there also has to be an alternative for people to have another option to use. So while we are experimenting in tolls right now, we do have a road outside of Raleigh which is a toll road, and then we are experimenting also. We are in the trial period—

Mr. SIRES. It is about 40 cents you charge on that toll road?

Governor MCCRORY. I do not have the price with me. I will be glad to get that to you. But the other thing is we are experimenting with HOT lanes, so not toll the entire road but toll a new lane that would be added so we can speed up the construction of the widening of major corridors at this point in time.

We are doing one between downtown Charlotte and Cornelius, North Carolina, where we are going to do a HOT lane and toll that lane based upon the congestion. And the toll will be based upon how much congestion there is. And I just think we have to think out of the box on where the limited dollars are, and we are all going to have to see what works best, from looking at user fees to looking at potential tolls of HOT lanes, and then also looking at stabilizing and at least maintaining our current gas tax.

Mr. SIRES. Mr. Becker?

Mr. BECKER. Yes. Thank you. In Utah, I was in the legislature for 11 years before I became mayor, and I have been mayor for—I am in my eighth year now. The toll roads have been proposed, attempted, tried over and over again. We do have some very limited tolling.

The issue that really has prevented us, I think, from taking on tolling more is the first tolling location always says, why are you picking on us? And we have not come up with a statewide system. So while tolling represents a great way to have another user fee, in our State I think we have chosen to look at other means of financing roads and leaving the roads open.

We certainly do provide, as is true, it sounds like, in North Carolina, for someone being able to buy into greater use of the HOV lanes by paying a fee. And it is a way for us to both use those lanes

more and capture some more revenues. But it has been really tough, so in our State we have gone in a different direction.

Mr. SIREs. Mr. Cox?

Mr. COX. Representative Sires, in Wyoming there are no toll roads. Several years ago——

Mr. SIREs. Good for you.

Mr. COX [continuing]. At the tail end of SAFETEA-LU, there was an indepth study. So it is not as if to say there has not been a conversation about it. But there was an indepth study ordered by the legislature into the viability of a possible tolling scenario on I-80 should that be enabled at the Federal level. I would tell you that the viability was there. It was a conversation before its time, and the people spoke very loudly that it was not a popular idea with the populace.

Mr. SIREs. Well, thank you. I can tell you that in New Jersey, basically I think the tolls are out of control. I mean, when you charge \$15 to go into New York City and then going down the turnpike, it is just—I am not a proponent of toll roads, let me put it this way. It is just too easy to raise the tolls on people. To me, it is double taxation. And they just keep raising it unless you need it.

Governor MCCRORY. Mr. Chairman, with all due respect, I also want to say I think the other item with tolls is, does the consumer have a choice of another route? And the other is, it is very difficult to retrofit existing roads. And that would be a major negative issue in my State, for example with the I-95 corridor; to try to retrofit an existing road into a toll would be, I think—it would not happen.

Mr. SIREs. The problem with New Jersey is that the alternate road also has tolls on it. Thank you. Thank you, Mr. Chairman.

Mr. SHUSTER. Thank you, Mr. Sires.

Mr. Gibbs, and Mr. Gibbs will be the last question before I know the Governor has a hard stop. So you might want to direct the last question, or your question, Mr. Gibbs, to the Governor.

Mr. GIBBS. Thank you, Mr. Chairman. Thank you for the panelists.

Governor, I want to expand a little bit more on Representative Crawford's questioning, talking about the intermodal, and you were talking about the seven military bases and all that, and with rail, because I think intermodal is really important, and then also when you go across State lines.

Is that what we need to look at more, who facilitates this? Because you are working with the Department of Defense and then of course the private railroad companies if you go across State lines. You are taking the leadership as the Governor, but what should be the Federal role to help facilitate that between State lines and the Department of Defense and what your status is on the intermodal?

Governor MCCRORY. Yes. I think where I could use help from the Federal Government is showing that plan of connecting economic regions. For example, I have an Elizabeth City area in North Carolina, northeastern North Carolina, which is closer to here than it is to where I was mayor of Charlotte. It is actually pretty close to Washington, DC.

We think that their unemployment rate has not been reduced as much as other parts of the State have. We have gone from the fifth highest unemployment rate; now we are not even in the top 30, I believe. So we have done very well. But there are pockets where we need still more connectivity.

And their best connectivity in Elizabeth City, and this is coming from the Governor of North Carolina, is to connect to Hampton Roads, Virginia. Connecting to that economic region would be the best benefit to them. So where I would like to see the Federal Government is to see, where do we need that connectivity that crosses political jurisdictions, especially statewide jurisdictions?

Another one is the connectivity to South Carolina and North Carolina, from Wilmington to Myrtle Beach, which is a major travel and tourism destination. I want Myrtle Beach to do well. I want Wilmington and the rest of our coast to do well. But to have that interconnectivity is very important for the entire economic region.

And economic regions, again, do not recognize these political boundaries when we are recruiting new industrial customers or travel and tourism. And I think that is where we could use your help. And that is why I think the Federal Government has to play a role, so we do not have these logjams along the coast or connecting our major regions.

Mr. GIBBS. Thank you. Also, Governor, I think Mr. Cox—especially Mr. Cox—you talked in your testimony about being careful on the regulatory side. And Governor, you mentioned wetlands.

There is a new regulation that the administration has proposed and they are probably trying to implement here in a month or so. It is called Large United States Borders. Have any of you looked at that and what the impact might be to your States on your road projects?

Mr. COX. Mr. Chairman, Wyoming is looking at that. We are very concerned about it. And there is probably not a lot I can say because the State has drawn a legal stance on the matter. But Wyoming is concerned with it.

I think that from the standpoint of AASHTO and the State DOTs in general, there is deep concern. We have got situations prior to this proposed ruling that range from great relationships which lead to relatively quick approvals all the way to if you turn a shovel in the right-of-way in the ditch that you have to have permission. And so that is something that AASHTO is watching very closely.

Mr. GIBBS. Well, my opinion, we need to keep those regulations as close to the local States as we can and not have a one-size-fits-all policy coming out of DC that centralizes it, more bureaucracy and going to add cost to your States.

Governor MCCRORY. In fact, my DENR secretary will be testifying here in Washington next week in front of a Senate committee. But we have major issues with it, especially with the agriculture.

Mr. GIBBS. Yes. Mr. Becker, in your testimony you mentioned GROW AMERICA. This is going to be more a comment on my part, but anyway, I guess you can answer. The President in his budget proposal how to fund for the surface highway bill is 14 percent new tax on American companies that have profits overseas on their crude profits, even though those profits might have been plowed

back into their capital operations overseas, and then tax those profits 19 percent going forward.

I see a couple of problems. First of all, I do not know how you enforce it. I think this is a pipe dream. Second, I think it encourages businesses in the United States to move their headquarters, and then of course more importantly, I think it would encourage more inversions, where foreign companies are buying American companies.

And so I do not believe that proposal will work. I notice you had in your testimony about the GROW AMERICA. So you can comment if you want. Go ahead.

Mr. BECKER. I will just comment briefly. Obviously, there are different opinions and views on the funding sources for transportation. And from a local government point of view and I think even from a State point of view, we recognize there are varying sources.

That is one that has been identified by the administration as sustainable. It is obviously up to this committee and to the Congress to decide a sustainable funding—

Mr. GIBBS. Well, I think everything should be on the table, but I do not think that proposal will work. But my time is expired. I yield back. Thank you.

Mr. BECKER. Appreciate it. Thank you.

Mr. SHUSTER. Thank you. And with that, Governor, I know you have got a hard stop. I have to depart, myself, so we can leave together. And I am going to leave the gavel in the hand of the vice chair of the full committee, Mr. Duncan from Tennessee.

And before I leave, I will recognize Ms. Esty for 5 minutes. Governor, thank you so much for being here.

Governor MCCRORY. Thank you all very much for your hard work. Appreciate it.

Ms. ESTY. Thank you, Chairman Shuster and Ranking Member DeFazio, for holding today's important hearing on the reauthorization of the Federal surface transportation program. And I would very much like to thank our distinguished witnesses for their testimony and taking time from your very busy schedules to be here today.

Governor McCrory, I will follow up with you. But I was just meeting yesterday with our Governor Malloy, who has a 30-year plan. And I want to commend you for your long-range planning. And thank you for emphasizing the importance to this committee of Congress doing its job to provide long-term, sustainable funding for the Governors, the mayors, and all of our planners in our local communities to make good decisions for the American people. So we will follow up with specific questions for you.

Governor MCCRORY. Thank you.

Ms. ESTY. Fifty-year plan—wow, we are getting really ambitious. Thank you. So I would like to note, as the Governor is departing, the importance of these long-term plans. And Connecticut has just announced a 30-year plan for us to really make that kind of long-term investment.

Mayor Becker, since you are staying with us, thank you. I want to thank you for sharing your perspective on improving transportation systems at the municipal level and for sharing your experience in Salt Lake City. I want to thank you also for highlighting

in the National League of Cities the cities, towns, and common ground proposal. I have heard a number of similar concerns in my State about the difficulty of implementing some of the federally funded local priority projects into the Federal regulatory framework.

What do you think we could do here at the Federal level to empower municipalities to develop and implement projects at the local level that make our transportation infrastructure more efficient and effective?

Mr. BECKER. Thank you so much for the question. I will just reinforce your planning point. In Utah, I believe a key for us in getting everyone on board for funding transportation long term has been a unified transportation plan that has been adopted at the State level by all the local jurisdictions, by all the MPOs, by the transit agencies, and really has given us a very clear path forward, and what the funding needs are associated with that.

At the local level, I think we are seeing some real improvements, I think, with the TAP funds, with the transportation alternative funds there. We would like to see those funds clearly dedicated, with 100 percent of those for TAP-eligible activities.

I think today we are seeing—and I know this varies from place to place—those funds getting diverted more and more, often for other needs. And as I described in the testimony and you have heard from others, the real increasing and fast-increasing demand at the community level, which represents 80 percent of the people, 90 percent of the population in this country, is around transit and active transportation first and foremost.

So having dedicated funds there, as well as the CMAQ funds and having those clearly programmed to go to the metropolitan planning organizations rather than to States, will give us much greater flexibility to address our needs locally.

So those are two areas certainly I can highlight for you that we believe both represents more the needs at the local level, which is where people are living more and more, and where our economy is driven.

Ms. ESTY. Thank you very much. We have seen that as well in my State, both the point you highlighted of young people moving into cities not wanting to use cars, as well as senior populations. And I think that we do agree with you. We need to readjust our planning.

And for both of you, if you could add your perspective. One of the growing areas of concern we have seen in Connecticut is the impact of corrosion on our infrastructure. I have started a corrosion caucus to deal with that. If you could talk about what we need to do at the national level to help support the maintenance, long-term maintenance.

We have put a lot of money into these systems, but if we do not maintain them or prep them properly, then they degrade much faster than they ought to. And it would be helpful to hear your perspective on those issues.

Mr. COX. Mr. Chairman, first of all, we can get back to the committee for the record with some deeper information than this. However, I would tell you I think from a multistate perspective and cer-

tainly from the perspective of the State where I live, that concern exists.

I do not know at this point that I have a recommendation for what to do from the Federal level to address that. I believe the fact that it has to have our attention speaks for itself. But I do not have a recommendation at this point. We will get back to you.

Mr. BECKER. I know in Utah and in Salt Lake, it has been a major focus of our attention to deal with bridges and with corrosion. We believe that it would be really almost necessary at this point to include locally owned bridges in the Federal funding formulas, and that is something that apparently, whether it is oversight or otherwise, is not reflected in the current legislation.

Ms. ESTY. Thank you very much. Thank you, Mr. Chairman.

Mr. DUNCAN [presiding]. Thank you.

Next on our side is Mr. Rice.

Mr. RICE. Thank you, gentlemen, for being here today and sharing your insights. My focus here in Congress is on American competitiveness and jobs, and I know that Salt Lake City and Wyoming are doing their best to be competitive in this global environment.

I got a call this last summer from the secretary of transportation in my home State of South Carolina who said, I understand the Highway Trust Fund is about to run out of money, and what are we supposed to do. Are we supposed to not enter contracts or to put contingency clauses in our contracts?

I want you all to, if you could, comment on how that uncertainty affects our national competitiveness and the competitiveness in your jurisdictions.

Mr. BECKER. Well, it makes a huge difference for us because if we cannot plan and design and build, which are long-term endeavors, our transportation system to meet today's needs—

Mr. RICE. You mean you cannot stop and start highway projects on a dime?

Mr. BECKER. No. And it is a multiyear endeavor to go from planning to design to construction, even under the best of conditions, where the regulatory system does not lengthen that process. And today, we do not live in an economy, even in a city, in a metropolitan area the size of the Salt Lake area, which is about 1.5 million—we increasingly look towards our export businesses as a major part of our economy.

We are continually looking at how we get goods in that are coming from overseas into our arena, into our area. And so for us, it really is an international matter. I think we have seen, with the metropolitan sort of revolution that is occurring all across the country, that our metropolitan areas simply—

Mr. RICE. I hate to cut you off, but I only have limited time. Do you think that this uncertainty generated by the Federal Government's lack of willingness to proceed on the Highway Trust Fund or these major items makes you, Salt Lake City, more or less competitive in the world?

Mr. BECKER. It clearly makes us less competitive. I will be very brief.

Mr. RICE. Mr. Cox?

Mr. COX. Mr. Chairman, to answer the first question, clearly it makes us less competitive. The problem with the uncertainty is not only—we could go on and on about the planning process and the long-term issues with highway design and construction.

But if you look at the construction community, in Wyoming we have an instate capacity. We rely on surrounding States' contractors. They cannot plan their own workforces. That is jobs. They cannot plan their own physical plant and equipment unless there is some sort of certainty in terms of funding in general, including—

Mr. RICE. And do you have that certainty now?

Mr. COX. No.

Mr. RICE. Now, let me ask you this. In Wyoming, when you are talking about construction jobs, it is one thing. And you are probably talking about thousands of jobs. Right?

Mr. COX. Yes, sir.

Mr. RICE. And then when you talk about the collateral benefit of the infrastructure, you are talking about multiples of that. Right? In terms of jobs.

Mr. COX. Mr. Chairman, absolutely. In my State—

Mr. RICE. So here is where I am getting. Then I want you to answer. Would you expect that, nationwide—project Wyoming on the entire country—are we talking thousands of jobs or are we talking about millions of jobs?

Mr. COX. Mr. Chairman, whether you are talking about the corpus of jobs involved in construction or the ripple effect, you are talking about millions of jobs.

Mr. RICE. Millions of American jobs on the line?

Mr. COX. I believe so.

Mr. RICE. I believe so, too. You know, the Highway Trust Fund is something that we certainly need to deal with. And I am very proud to serve on the Transportation and Infrastructure Committee, and I am confident that we are going to find a long-term solution because reactionary short-term planning will get us nowhere.

But if you look at other problems facing our country, whether it is the Medicare Trust Fund or the Social Security Trust Fund or even immigration or these other major issues that face us, all these things create huge uncertainty in our economy, and in my opinion make us less competitive and are costing us millions of jobs.

And the shocking thing to me and the frustrating thing to me is, everybody in this room knows we have these problems. I do not think anybody would dispute that. But we are amazingly unable or incapable of finding long-term solutions.

So I appreciate your comments, I thank you for being here, and I for one will be looking hard for a long-term solution to the Highway Trust Fund.

Mr. DUNCAN. Thank you very much.

Next, Ms. Brownley.

Ms. BROWNLEY. Thank you, Mr. Chairman. And I want to thank both of you and the Governor for being here today and testifying in front of our committee. I am a new member of the committee. I am very honored to be here.

Last week I was at home in my district and met with every single transportation stakeholder in my district, and their message to me is the same message, I think, that you are giving the committee, is that we need a long-term, sustainable finance surface transportation bill here in Congress.

And we all know that the vexing challenge here is, what is the mechanism? How are we going to provide that revenue source to pay for the so important investments that we need to make? So I just wanted to ask all of you, in terms of the organizations that you represent, has there been a discussion or any specific recommendations from the National League of Cities or from the American Association of State Highway and Transportation Officials about a specific position with raising the gas tax or a one-time or ongoing repatriation method, if you have made any recommendations or had any of those discussions?

Mr. BECKER. We have had extensive discussions in an ongoing way in the National League of Cities about funding transportation. And there are many options, as this committee knows better than anyone, in terms of how to fund them.

At the local level, we rely on the gas tax as a primary source of funding. And we recognize there are times when we have to bite the bullet if we are going to provide for a transportation infrastructure in our communities. And as tough as it is, those are decisions that we make every day or every year, certainly, when it comes to our budgets and looking at what our needs are and justifying the needs and living up to a long-term commitment we have to our communities.

So for us, whether it is the GROW AMERICA Act proposal, whether it is a gas tax, or whether it is some congestion pricing formula, whatever kinds of approaches that you would find acceptable, the important thing from our vantage point is to make a decision. The American people, we believe—certainly our communities reflect this—expect us to make those hard decisions and accept it without consequence, I can tell you, in terms of our elected and political lives.

Ms. BROWNLEY. Mr. Cox?

Mr. COX. Mr. Chairman, first of all it would be hard to overstate my agreement, our agreement, with you that a long-term, sustainable source of funding for transportation is absolutely needed. AASHTO has put together a matrix that illustrates a large menu of options, every one known to us, and most of those are known to many, but that have been exhaustively discussed. I am not sure that there are any out there that—there may be some creative alternatives out there that have yet to make it to the list.

The elephant in the room, for sure, is how to pay for this. I think, from the perspective of our States, whatever immediate short-term action needs to be done, whatever needs to be done in terms of a multiyear bill probably is going to involve a little bit of a different consideration than is, what does the future look like?

Because I think all of us recognize that the Highway Trust Fund and the funding mechanism for it is one that is becoming inadequate. And so what does that look like in the future? That will be a combination, most assuredly, of options.

Ms. BROWNLEY. But it would be fair to say that any and all options would be acceptable within your organizations? There would not be any of those options that would not be acceptable?

Mr. BECKER. Correct.

Ms. BROWNLEY. Thank you. And Mr. Mayor, I wanted to ask you—I was excited about your testimony as it relates to better pedestrian traffic and the use of bicycles. And actually, in my district, which is Ventura County in California, we have twice as many people who bike or walk to work than use transit.

So my question is just a broad one. How do you think that Congress can best support local communities that want to invest more in bicycle and pedestrian infrastructure?

Mr. BECKER. Thank you for that. This transformation is really remarkable that we see around communities all across the country for active transportation. And it is where there is clearly, I can tell you in our region, the most energy of people excited and willing to take it on.

My sense is that if you dedicate the TAP funds and make that clearly for those purposes so they do not get diverted, the CMAQ funds, and to the extent you can identify funds that should be used for active transportation, it goes so much further than we see for funds for roads because usually the infrastructure improvements are so much less expensive.

And we just saw, in legislation passed by our State last week, that for the first time they are actually identifying specifically active transportation funding at the State level as well.

Ms. BROWNLEY. And do you have data to show that that kind of investment is really reducing congestion in your area?

Mr. BECKER. We are tracking that very closely. There is national information I would be happy to try to get to you on that. And I can tell you locally we are tracking it very closely, and there is no question that even where we take out a lane of traffic on some of our streets and slowing the traffic down, we are actually providing for more people getting through on those streets.

Ms. BROWNLEY. Mr. Cox, do you have any comments on bicycle and pedestrian infrastructure?

Mr. COX. Mr. Chairman, as a lifelong cyclist and competitive cyclist as well, I am absolutely in favor of the use of alternative modes of transportation. Having said that, let me just comment on this to come back to the big picture in terms of what is facing us today.

In Wyoming, and I think in many States, I am trying to solve a \$15 problem with 10 bucks. And if at the end of the day under the MAP-21 construct—I think Ranking Member DeFazio mentioned that it is \$10 billion before just the end of this year.

And so as we consider these emerging needs, the things that are very popular and the things that will reduce congestion in those areas where that is sorely needed, we also need to keep our eye on the ball, I believe, though, and that is that what are we going to do in the shorter term?

Because if we are not careful, we could end up dividing what already exists, and do not know how to fund tomorrow, too much. And in my State, one of the illustrations that we use with our legislators at the State level is—I think it has to be dumbed down so

I can understand it. OK? But we use what we call the FRAM oil filter illustration: Pay me now or pay me later.

And if you spend a dollar today on the infrastructure, you will save 4 to 8 to 12 bucks later on. That is the problem that is really overpowering us right now, but in agreement with the fact that all of these other modes and possibilities need to be taken into consideration as time goes on.

Mr. DUNCAN. I am sorry, Director Cox, the time has long ago expired.

Mr. Davis is next on our side.

Mr. DAVIS. Well, thank you very much, Mr. Chairman. I appreciate the time, and I appreciate the witnesses being here today.

I have got one first question to Mr. Becker. Thank you for your service, Mayor. I believe more local control of our transportation dollars should be a priority. And my district is mostly rural, with some smaller urban areas like Bloomington-Normal, Champaign, Illinois, Springfield, Illinois—home to Abraham Lincoln—and Decatur, Illinois.

I want to ask you a quick question. What changes would you recommend this committee make to help our communities that may not be like yours, with less than 200,000, get their fair share of Federal transportation dollars?

Mr. BECKER. Thank you for that question. And I mentioned before the TAP funds and the CMAQ funds and having those clearly dedicated so that local communities can address these changing needs. But I realize, as Mr. Cox indicated, that in many places there are varying needs.

So having more local control and discretion over funds is huge. We are recommending that a greater share of the surface transportation funds—that is, 75 percent—go to the metropolitan planning organization, where you have the State departments of transportation, the transit agencies, and all the local governments sitting at the table to decide how best to use that money within a region.

It is currently a 50/50 split, and we believe that if we devolve that, using your terminology earlier, to the local level, we are going to see a much smarter use and practical use of those funds.

Mr. DAVIS. Thank you very much. Obviously, we have had a lot of discussion on funding sources. We love to be able to talk about the different issues, and many of my colleagues said no source should be off the table. And I am just glad we are having this debate. Some that I talk to in my district do not even think we are talking about trying to have a robust, fully funded transportation bill.

But I want to ask you your opinion because I hear a lot of rhetoric in regards to other infrastructure projects. And I believe, when it comes to the transportation bill, we need to put together a list or a pie of priorities, somewhat of a diversified portfolio, rather than just relying upon one source. And I am glad we are talking about these different sources.

But in the debate regarding an infrastructure project, the Keystone pipeline, many of my colleagues, many who serve on the other side of the Capitol, are talking about how it is only going to create 35 permanent jobs. Well, I think that hinders our ability to

talk about what infrastructure and construction means to our economy and to local communities and States.

It does not help us to talk about the need to fund a robust infrastructure policy when we know permanent jobs along highways and interstates are not going to be created at all in the State of Illinois, but it is going to help grow other jobs, as my colleague Mr. Rice talked about, the indirect jobs that are created by economic growth.

This is a frustration for me because I think as we move forward on this debate, when it comes to funding the highway and transit bill, that same rhetoric will be used to talk about not investing in infrastructure at all. So I would urge you to remind some of your colleagues who may be utilizing that rhetoric because of their own political thoughts regarding the Keystone pipeline, reassure them that that debate does not help us when we are talking about construction projects. I would like to get both of your thoughts on that.

Mr. BECKER. Appreciate the comment. I will tell you from the local perspective, and we have talked about this probably as much as you have in your committee here, we are here to support you in making a decision that will give us a sustainable, long-term funding and transportation system that we can all rely on.

So when this Congress is able to rally itself around a source, and as has been noted, there are many different sources for funding, we will be here to support you. And we appreciate that transportation is the circulation system for our country, whether it is local, at the State level, or nationally. And we are going to be here to support you in making those decisions.

Mr. DAVIS. Thank you.

Mr. Cox? I have got about 25 seconds for you.

Mr. COX. Representative Davis, just quickly, I want to focus in on one comment that you made about the collateral benefits of transportation investment. AASHTO as an organization can furnish you with information. There has been a robust amount of discussion on that issue.

And I will tell you that at the same time, one of the things that we are conceding among my colleagues across the country is that the Department of Transportation needs to get better at showing what the economic benefit is that the need drives. In other words, not only do we need to get out from behind the eight ball, but what is the benefit in the long term? So I am in agreement with you, sir.

Mr. DAVIS. Well, thank you very much. And I appreciate what both of you do to move this debate along. I think you can sense my frustration because I came here to work with my colleagues to hopefully come up with a long-term solution. And there is no committee that epitomizes the ability to work together in a bipartisan basis than this committee, and all you have to do is look at what we did with the water infrastructure bill during the last Congress. With your help, we will do it again this year. Thanks for your time.

Mr. DUNCAN. Thank you very much.

Mr. Larsen?

Mr. LARSEN. Thank you, Mr. Chairman.

Mr. COX, the first question I have is for you from a perspective of AASHTO. I was talking with our Secretary Lynn Peterson last week from Washington State a little bit about this issue of prac-

tical design. And despite the efforts of AASHTO, only a handful of States have actually adopted practical design consistently, something that in Washington State we are trying to do, and trying to perhaps get that to be used more.

Can you talk a little bit about why States regularly are not using practical design to develop and deliver projects, and what some of the hurdles may be?

Mr. COX. Mr. Chairman and Representative Duncan, can we get back to you with information on that? We will answer that question, but I did not come prepared to answer that.

Mr. LARSEN. Oh, OK. Great. Yes, I would appreciate that. It is something we want to be looking at.

As well, we have seen decreased traffic fatalities over the past few years, but pedestrian and bike deaths have not gone down at the same rate. So last year a few of us asked the GAO to look at this trend, and one suggestion we have heard is that we are over-engineering or over-building roads so that the posted speed limit may not match the size of the road. As a result, that contributes to a more unsafe road for bikers and pedestrians.

Has AASHTO looked at this issue, the relationship between design standards and road safety for bikers and pedestrians?

Mr. COX. Mr. Chairman, Representative, yes. The simple answer is yes. AASHTO is looking at that. Let me just expand for one second here.

I would tell you that in Wyoming, and I think this is a microcosm of the discussions that are going on in other places—and I am talking about the highway system, nonurban, at this point. OK?

Mr. LARSEN. Sure.

Mr. COX. Robust discussion. The legislature there is talking about how does highway design and driver and cyclist behavior interact in terms of the fatality count. We quintupled this last year our average over the last 10 years in terms of cyclist deaths.

But when we analyze that—and by the way, those numbers are not nearly as big as that might sound, putting it that way—but when we analyzed it, what we found was behavior, driver behavior and cyclist behavior, was really 100 percent the issue, not the design of the pavement.

So there is a broader discussion that needs to be held. And as a career law enforcement officer before coming into my current position, that is one of the things that we have that ability to emphasize, that that is part of the discussion at the table as we analyze that.

Mr. LARSEN. Yes. Thanks.

Mayor, I have several questions for you. It has to do with a bill that I have introduced called TIGER CUBS. You know the TIGER program is for large projects. We introduced something that would be for smaller projects because we found that if you want nickels and dimes, you can get it from the Federal highway program. If you want big chunks of money, you can get it. But if you are a city of mid-size and you want something in between, there is really no one pot of money for that city to complete a project that is big for that mid-sized city but small compared to what TIGER is directed at.

I was wondering if NLC has taken a look either at that, my bill, or just the general idea of looking at some of these mid-sized cities and how to help them access Federal dollars for those one-time big projects that are big for those mid-sized cities.

Mr. BECKER. I am not sure, and I will get back to you on whether or not NLC has a specific position as it relates to a TIGER CUBS program. But I will tell you this because I believe this is very consistent with our approach.

The TIGER program has been enormously successful, not just because it is leveraging Federal dollars so much more and that it is tailored to local needs and combines multiagency perspectives and needs to reflect what community needs are as it surrounds transportation projects. And having a simpler program, which I assume is consistent with what you are proposing for smaller communities, can only increase dramatically how Federal funds get used to meet those local needs and the State needs.

We are finding, and we have been a beneficiary of a TIGER grant, and we took basically a relatively small Federal grant and we leveraged that with two cities, with our transit agency, and then with private funding to be able to build out a project. And that kind of creativity that comes through a program like that we think forces us to think better and to broaden our reach in terms of who we go to both for funding and conceiving and developing a project at the local level.

So we would encourage that kind of approach as a way to optimize, really, the Federal money and really tailor it to local needs.

Mr. LARSEN. Thank you. And just one final note. If you all—and I will pass it on to the NGA as well—if you all can be more specific and help us be more specific about the funding issue. We are always talking about robust funding, but trying to get to the answer here is a little like talking about the weather. Right? Everyone talks about it and no one does anything about it. We need to get a lot of help to be specific about the funding need in the future.

Mr. DUNCAN. Good point.

Mr. Zeldin is next on our side.

Mr. ZELDIN. Thank you, Mr. Chairman. And appreciate you doing this hearing on an important issue. I represent New York 1. This is the East End of Long Island, the First Congressional District of New York. A lot of people think of Transportation and Infrastructure Committee thinking of roads and bridges. My district is almost completely surrounded by water, so the Army Corps jurisdiction, the FAA jurisdiction, it is great to be on this committee.

I just wanted to put a little bit of perspective on this type of district. A lot of people ask me where the district is and I say, it is the Hamptons. Oh, yes, we know where your district is. We have the vineyards of the North Fork, the five East End towns. But almost 500,000 people who live in my district live in a small town just west of the Hamptons called Brookhaven, and it has just under 500,000 residents.

Now, this town has only 21 miles of interstate. It is called I-495, the Long Island Expressway. The town highway department is responsible for over 2100 miles of roadway, and the need for road repairs go way beyond this one stretch of Federal highway.

We had a pretty rough winter up in the Northeast. A lot of people have read about it coming from warmer climates elsewhere in the country. My colleague, Carlos Curbelo, sent a Tweet where he had a picture of him down in Miami asking Elise Stefanik, Ryan Costello, and I how the weather was up in our area in the middle of one of those blizzards. I appreciate that.

[Laughter]

Mr. ZELDIN. So I wanted to ask a question. From your perspective, what can we in Congress do to grant more flexibility to States and municipalities with a massive need to prepare critical roads that are not under Federal jurisdiction?

Mr. BECKER. Well, I will go back to some things that I talked about before. There are Federal programs under the Transportation Reauthorization Act, MAP-21, where there is a lot of discretionary money that goes to the States. And while we certainly appreciate the State need—and I can tell you in Utah we have an incredible partnership between our State department of transportation, our transit agency, and our local governments—having that discretionary money go to the State level impedes our ability to address our local needs very well.

If money can get delegated in TAP or in CMAQ funds or in the surface transportation funds to the MPO level, then we can much better address the allocation of those monies in a way, I think, that achieves practical design, that achieves Complete Streets policies, whatever the local needs are.

And so shifting that authorization a bit helps us meet what is a quickly transforming desire from our publics, and a lot of it, and always will be, around roads, at least for the foreseeable future. But much of it is increasingly in other areas. And it varies. In a place like Utah, our air quality issues drive our decisions more than they would in your district.

Mr. ZELDIN. Director Cox, I want to give you an opportunity to answer that as well. I guess maybe taking the question one step further is, what more can we do to be able to represent a district like mine? I mean, my colleague, David Rouzer, when people think of a highway bill, you think of a district like his where you have these two huge interstates crossing paths.

But as I mentioned, this town that I represent of 486,000 people with 2100 miles of roadway, 21 miles of it being Federal, are there particular Federal policies that for your life as a mayor or as a State transportation official made it more difficult? What more can I do to be representing a district like mine?

Mr. COX. Mr. Chairman, wow, a couple things. One thing is to keep in mind the big picture. The Federal program is designed to ensure that Federal funding goes to projects that are in the Federal interest. So if you keep that in mind kind of as the backdrop, it may inform the discussion as you go along.

The other point that I would make here is that with all of us conceding that the elephant in the room is the funding and what the mechanism is and what the size should be and all of that—I do not think there is a colleague of mine across the country who would not say quickly that they could put to use more Federal funding if it were available.

In a fiscally constrained environment, the biggest question is, are we going to be able to take care of the \$10 billion between now and the end of the year? Are we going to get a multiyear bill at the current levels or plus inflation passed? Those are the big questions begging.

But I guess my caution would be here, and in somewhat agreement with my friend the mayor here, but at the same time throwing a caution here that unless the program is expanded significantly in terms of the funding, then any change in priority toward your district, toward the local cities and towns of Federal funding will take away from what is the national interest and the Federal interest in some cases, at least.

The other thing is—I sense that you wanted to ask another question, so I will just let you—

Mr. ZELDIN. No, no. If you could wrap up. I am just about to run out of time, so if you could just finish your answer.

Mr. COX. OK. Well, even Secretary Foxx, a man that I have tremendous respect for, mentioned in a meeting with us just several weeks ago here in DC that the advocacy that he is undertaking for more Federal funding for municipalities and for cities is predicated upon a growth of the overall program. In other words, hold harmless those programs that are resident today in the Highway Trust Fund. So that might be something, just as a baseline, to keep in mind.

Mr. ZELDIN. I appreciate this. And what I am about to say is by no means targeting our guests here. But coming from a district where we do not have all of these Federal highways running all through our district, we are paying the gas tax. We are paying into the Highway Trust Fund just like every other district everywhere else in the country.

So when I am back at home I am getting asked the question, why are we sending so much more to Washington than we get back in return? It seems like we have the system set up where we are subsidizing the rest of the country. I appreciate your point very much.

Mr. DUNCAN. I am sorry. The time of the gentleman—

Mr. ZELDIN. All right. Thank you, Chairman.

Mr. DUNCAN [continuing]. Is long expired.

Mr. Carson?

Mr. CARSON. Thank you, Chairman.

Mr. Cox—well, Mayor, my com director used to work for KCPW. She wants to meet you. But I will let you guys talk later. And she is from your State.

Mr. Cox, many of us have worked hard, as you know, to reauthorize the DBE program at DOT, most recently, in MAP-21. We are starting now to work on the new highway reauthorization, but it has been deeply disappointing to discover weak oversight, quite frankly, with regards to this program described in the Department of Transportation inspector general's report.

Now, Federal agencies, sir, as you well know, say they rely on State and local agencies for data with regards to contracting and subcontracting. But I want to make sure that small and disadvantaged businesses will be able to participate. Could you tell us, sir,

with your expertise, about things that are being done to improve the performance of the DBE program?

Mr. COX. Mr. Chairman, Representative Carson, all I can do is comment on Wyoming. And we will have to get back to you with a specific answer with regards to the bigger picture in AASHTO.

In Wyoming, we have a little bit of a hybrid program. But I would tell you that the percentages of DBE on contracts has exceeded the goals agreed upon between the State of Wyoming and Federal Highways every year since we arrived at this negotiated approach. And I can provide you details on that. But I do not know that that is representative of the whole. So we will get back to you with an answer.

Mr. CARSON. This is for both of you. Many of us were pleased about the announcement that the Department of Transportation has started steps to enable vehicle-to-vehicle communication for light vehicles in particular.

Now, I think we all know that this technology will improve the safety of most of hopefully our constituents and U.S. citizens. What can you tell us about this new technology and how it is being tested in your States? And are there early reports or even trends that you would like to share with us about how we can make our roads safer?

Mr. BECKER. Thank you for that question. And I will have to get back to you on the specifics in terms of at the State level what is being done.

Mr. CARSON. Sure.

Mr. BECKER. I have had an opportunity to go visit where some of these vehicles are being manufactured and used, and it is truly remarkable what is happening with this technology. And I know that we always try to work hard to stay up to or in front of those technology changes.

I can tell you that the safety issues that we see we think will only improve with this technology. And we are going to need to think also about how we combine that with other users of the road in a Complete Streets concept with both pedestrians and cyclists, who are increasingly taking advantage of our rights-of-way.

Mr. CARSON. Thank you, Mayor.

Mr. COX. Representative Carson, I feel a little bit inadequate for that question. One of my predecessors, Kirk Steudle, who is the director in Michigan, has immersed himself in this and could go on as long as you wanted to talk about it. But we will get back to you with an AASHTO answer on this.

The one thing that I have been impressed with, and which is emerging now, is in terms of the safety features on the newer cars. There is no question that they are increasing the safety margin even in Wyoming, which has not pioneered anything at this point in terms of connected vehicles or roadside appurtenances that would speak to the cars.

But I would tell you that in the West, at least one State—I think he would appreciate it if I did not name him right now—has a pilot project cooking for connected freight, a connected freight pilot project across their State in the near future.

Mr. CARSON. Thank you. Thank you, gentlemen.

Mr. Chairman, I yield back my time.

Mr. DUNCAN. Well, thank you, Mr. Carson.

Mayor Becker, I have to tell you that from the time I was 9 until I was 17, I grew up at City Hall. My dad for a little over 3 years was city law director and then mayor for about 6 years. And I learned that everybody and his brother wanted to be a fireman or a policeman, and then the day after they went on the force, they wanted a promotion and a raise. And I wonder, is that still true?

Mr. BECKER. Some things do not change.

[Laughter]

Mr. DUNCAN. Let me ask two quick questions. Number one, I chaired a special panel last year on public-private partnerships, and on all types of transportation and infrastructure projects, a lot of places seem to be going more toward public-private partnerships. We found out there is great interest in that. We had a hearing on Wall Street, and some of the financial giants came to us and said that they were getting a lot of calls.

Do you see that as a wave of the future, or are you skeptical about public-private partnerships in regard to transportation and infrastructure projects?

Mr. BECKER. Thank you, Mr. Chairman. I see that in terms of, in our area, not just as a wave of the future but the present. We do not do anything, I can tell you, in our community and in our region around infrastructure where we do not just engage our Chamber of Commerce, where we do not engage adjacent businesses and property owners in trying to make decisions about how we fund those projects.

And increasingly, I think without question, we are going to need to look to those means to reflect the growing costs associated with infrastructure improvements, the clear benefits that come to both businesses and local areas and regionally, and I think it is being well received and supported in the private sector because they realize how important transportation projects are.

I know that for me, with every project we go forward with, my first stop is usually with the Chamber of Commerce. And without exception, they have been supportive in finding funding mechanisms that take advantage of the private sector in our funding efforts.

Mr. DUNCAN. Well, thank you very much. We have found that there are some efficiencies on a lot of these projects that are possible if they are done right.

Director Cox, I am a strong supporter of building roads and fixing roads up, and I really like roadbuilders. But in some States, roadbuilding has been a very highly profitable industry. Do you think, number one, is there enough competition in the roadbuilding industry in most States? And secondly, are you doing anything to try to hold down the costs of these roadbuilding projects so we can get the work done but save a little money, too?

Mr. COX. Mr. Chairman, let me give you two angles on that. First, in the broad context, under the current funding levels—and I cannot speak for every State on the stateside—but under the current funding levels on the Federal side, there is plenty of capacity for most projects.

In terms of stewardship inside the State, and I will give you a Wyoming answer on that, our Transportation Commission has stat-

utory authority to exercise discretion. And what that goes to, we have a contractor prequalification process that is rigorous, and contractors are not allowed to bid unless they meet requirements, and they are not allowed to continue to bid unless they perform on those contracts. Those are very important components within our State, and that has been a very successful program for us.

Mr. DUNCAN. All right. Thank you very much.

Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Mr. Chairman. And to the gentlemen, sorry I was not here to hear your presentations, but I had another commitment also.

My community, the area that I represent, is greatly impacted by freight movement. And while it creates jobs, there is an impact on the communities that sometimes becomes adverse. I want to ask if you feel we should include a freight movement program in the next transportation bill? And should we prioritize projects that mitigate the negative impacts that freight has in our communities?

Mr. COX. Mr. Chairman and Representative Napolitano, AASHTO supports maintaining the federally funded State-administered nature of the program that served the Nation well for the past 100 years, and retaining that Federal/State relationship ensures that Federal funding goes to projects that are in the national interest. I am sorry, I am—

Mrs. NAPOLITANO. My concern has been that while my area, the Alameda Corridor, brings in over 45 to 55 percent of the goods to the eastern seaboard, it has an impact because the whole corridor goes through my district. And it has environmental impacts, safety impacts. There are other things.

And so those cities that have that kind of impact, do you not believe that we should address it in the next transportation bill to allow the communities to have some assistance in doing whether it is quad gates, whether it is grade separations, whether it is amelioration of the negative impact?

Mr. COX. Mr. Chairman and Representative, I apologize for beginning to answer the wrong question here. Is your question with regard to a separate freight program or just addressing the impacts in those—

Mrs. NAPOLITANO. Either/or. Whatever works to help our communities be able to deal with this negative impact.

Mr. COX. I believe there is probably an appropriate role for attempting to address the impact of freight on any portion of the system.

Mrs. NAPOLITANO. Have you had any cities address this impact, this negative impact?

Mr. BECKER. I thank you for that question. Let me put this in very concrete terms in Salt Lake City. We are a major corridor for railroad freight and for freight moving through. Those freight corridors have a huge impact on really segregating portions in neighborhoods in our community.

And when we try to have crossings of those railroads in particular, it is very difficult. And it has actually prevented us from moving forward, for example, with a streetcar line going into one neighborhood because there is some rule in place that prevents

streetcars from crossing railroad tracks. So it keeps us from serving a neighborhood the way we should be able to.

So those kinds of issues for us to be able to address would be enormously helpful at the community level.

Mrs. NAPOLITANO. Have you proposed anything in that area? Simply because I know it is not just California. It has got to be other States that have the same feeling of not being able to move forward, like you say, on your streetcar. How do we address it so that we are all aware that it is not a one size fits all, but rather that we all have different areas where we could get help?

Mr. BECKER. Well, in our case we have had great difficulty working with the railroads themselves. So providing some authority or some direction for us to be able to address the safety needs, but not just provide the complete discretion with the private railroad company saying we cannot cross their railroad in a way that we know can be done safely.

Mrs. NAPOLITANO. Great. Well, that is a big issue. And of course, I have always tasked the railroad to pony up more money for the grade separations because they only deal with about 3 percent of it even though there might be a little bit more in some areas.

The other question I have is for Mayor Becker. We just passed a temporary Department of Transportation advantage of hiring locally. How do you see that helping your cities and your communities?

Mr. BECKER. Well, it is critical for us, obviously, to be able to use a very well qualified and committed workforce to be able to provide employment in our areas. And I know even in this State legislative session that just passed that we included a preference for local hiring in future projects.

So we build that into our project at a community level. To the extent that is done at the Federal level, we think that provides benefits to the economy, and it is probably much more efficient.

Mrs. NAPOLITANO. Will it help, then, some of the communities that have a very high unemployment rate?

Mr. BECKER. Certainly. Fortunately, I can say that Salt Lake City does not—we are at about 3 percent or less unemployment right now. But being able to provide the kind of direction that keeps money in local hands always provides not only local jobs but a greater multiplier.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you.

We will turn the time over to Mr. Woodall.

Mr. WOODALL. Thank you, Mr. Chairman. I recall when we opened this hearing the chairman and the ranking member both talking about devolution and put you both on the spot talking about devolution.

It strikes me, and I have only had a voting card for 4 years, but when you have a flat rate per gallon gas tax and the number of gallons purchased is going down and it is not indexed for inflation and it has stayed in place for two decades, we kind of have devolution going on today. If you are going to take care of your roads and bridges and we are not footing the bill, somebody is footing the bill.

My question is, I found Mr. Cox's testimony about 75 percent of the traffic going through Wyoming being in transit from one place

to another very compelling, and I feel that burden of responsibility as a Federal legislator to focus on those opportunities.

But I worry that accepting those dollars for noncritical freight path projects is reducing the bang for the buck that I am getting. I will give you one example, and Mayor, you may have had this same experience.

We just did a \$200 million bond initiative. I only represent two counties. One of them just did a \$200 million bond initiative because they wanted the roads widened and the State did not have the money. The Feds were not providing the money. Two hundred million dollars, we are going to do it ourselves. It is going to be 1 year from the date of the vote to groundbreaking. One year in the State of Georgia. We rank number one and number two, respectively, in bringing in projects on time and under budget in Georgia.

So when I delegate those dollars elsewhere and folks start doing things like creating local hiring initiatives, which I understand why that is important though it might not be the best economic outcome; when folks start putting in their own perhaps value-added but also cost-added efforts into a project, I begin to question whether or not I am giving the American taxpayer the best bang for their buck.

How do we get more local governments with skin in that game on the one hand? And number two, what can we do with those Federal dollars? I will stipulate that they are going to be provided, but to get you from receipt of those dollars to groundbreaking in 1 year.

The fact that my friends in Florida seem to not take Federal dollars for new construction and only take Federal dollars for maintenance seems to suggest to me we have run far afield if what our collective goal here is building things and making America more efficient in terms of transit. Mayor?

Mr. BECKER. Thank you, Mr. Chairman and Representative Woodall. We put huge skin in the game, and that is true whether we look at the Federal funding or whether we look at State funding. At the local level, the vast majority of the money we spend is local.

We do rely on partners. In a place like Salt Lake City, we are the crossroads of the West, as we say. We are also the center of a region and we serve a population that goes far beyond Salt Lake City, whether that is interstate commerce or whether that is regional traffic.

And so for us, we have been biting that bullet for quite some time. But there is still such an important Federal role here because so much of what is happening is interstate commerce and is national and international in terms of its nature.

In terms of how I think, if I heard the second part of your question best, I can tell you, as someone who has spent a career working as a NEPA planner and lawyer, that what has happened with what I view as an absolutely great environmental law, the National Environmental Policy Act, is truly unfortunate.

As court cases have been lost in infrastructure projects and transportation and water, the agencies just add on another step instead of looking at how they work to reflect what the statute calls for, which is disclosure of environmental impacts, considering alternatives, involving the public in making a decision.

We have gone from processes that should be a year, a year and a half, to processes that are 5 to 7 years in many big transportation projects. We need to get back to addressing what is critically important, which is that we consider environmental impacts and we base our decisions with consideration of those environmental impacts. And we have gone afield from that. MAP-21 helped. We can go a lot further.

Mr. WOODALL. It will not come as a surprise to you that the National League of Cities has more credibility on that NEPA discussion down at 1600 Pennsylvania Avenue than does a Republican congressman from the great State of Georgia. And I would welcome your leadership on that. It drives me crazy in this place that we can agree on what that fundamental principle is, but getting from here to that goal that we all share takes us in that circuitous route.

It was also not lost on me that we have a Delta brotherhood, Salt Lake City and Atlanta, that we share. If there is one thing we want to make sure, I do not care about your streetcar very much, but I want to make sure your airport remains the pride of the region. And be happy to partner with you going forward.

Mr. BECKER. Thank you. We are in a \$2 billion rebuild of our airport, so you will be—

Mr. WOODALL. Mr. Chairman, I yield back.

Mr. DUNCAN. The gentleman's time expired. Thank you.

We will turn the time over to Congresswoman Edwards.

Ms. EDWARDS. Thank you very much, Mr. Chairman. And thank you to our witnesses today because I think you have been really patient. But you can also tell how important this issue is to so many of us on this committee and in the Congress.

We do know that neglected problems have a way eventually of falling down on us. And I think in my district we had that experience just a few weeks ago in early February when a block of concrete fell down from an overpass around our Capital Beltway onto a woman who was just running her errands. Fortunately, she was not injured and did not injure others on the road, but it could have been a disaster.

I have said before on this committee, I shudder to think that every time I am driving, I have to actually look up in addition to paying attention to what is going on around me on the roads. And so we are at a really important time when we have to figure out both how we pay for it and the fact that we are investing in our infrastructure.

The incident that happened there is just illustrative of many incidents that have happened over the course of time, even since I've been on this committee. We were dealing then with the aftermath and the report back from the bridge collapsing in Minnesota. And I would note that on that project, the process was expedited, Federal funding was provided, local funding provided, and the project was completed in short order. So we can actually do this when it comes to our infrastructure.

The Woodrow Wilson Bridge right out in my district connecting Maryland and Virginia and the District of Columbia, all three of the jurisdictions put in their money. The Feds put in Federal money. And the project was completed on budget and on time.

And so I think we have a number of examples where we can go through a process that respects the environmental considerations, that respects the local jurisdictions, allows them to put up the resources that they need, and gets the job done.

And I have a question for you all. One, for AASHTO, Mr. Cox, I read through your testimony and I appreciate that you make a note to all of us that Federal funding is a supplement—the State funding is a supplement to the Federal program. That is your words, not as a substitute for Federal programs.

Because I think sometimes we forget that, and as the Highway Trust Fund is preparing to expire and we have to reauthorize that and extend it for a period of time so that long-term projects can get done and not just the short-term projects, I am reminded that in our State we took some extraordinary measures a couple of years ago.

And so we actually are going to be able to wait the tide out and will not run out of money, actually, until next year that would supplement our Highway Trust Fund. But that is not the case for all of our States, and it means that we are not going to be able to spend money on some projects that we would ordinarily do if we had an assurance of a Federal partner.

Also, in your testimony, Mr. Cox, you indicated that there has to be an important balance struck between transit and traditional highway funding. And I appreciate your striking that because as Mayor Becker knows, Governor McCrory if he were here, he would say the same thing. You have got jurisdictions that serve as regional hubs. We need the combination of the transit and the roads for our agriculture and other kinds of commerce.

And so I wonder if the two of you could say what kinds of revenue sources your organization would support or not. Is it vehicle miles traveled? Is it an increase in the gas tax? Is it indexing the gas tax to inflation? Is it an infrastructure bank? Be really specific because we have to be specific when it comes to getting our work done on this committee.

Mr. COX. Mr. Chairman and Representative Edwards, I appreciate the question. But I will tell you that as president of AASHTO, I represent 52 different sets of political realities. And so it would be very accurate to say that while we have put together a matrix of options to be considered, ones that not only would work today but may work in part tomorrow, we can illustrate for you that it will be most probably a mix of options that will fund the transportation system of tomorrow.

That said, I do not believe that any of my colleagues sitting here would say this is the way to do it. Now, what I said earlier I think maybe applies here. And the question is what mechanisms work right now? Obviously, the historical mechanism is one that has to be a centerpoint of that for the moment.

But what mechanisms will work in the future as they mature? And I will point out one that you have heard about, I am sure. The State of Oregon has developed a VMT model that is now being evaluated in Oregon and on a regional basis. Will it mature into the funding mechanisms tomorrow? I guess time will tell.

But it occurs to me that as time goes on, not to be too redundant here, but it will be a menu of options rather than just one. I do

not think that what you are going to see is any resistance on the part of AASHTO in supporting what the Congress does in terms of funding a transportation bill. That is not really our focus. Our focus is, figure out how to fund it and get it done.

And I do not mean to be insensitive when I answer that question. Governor Freudenthal, when he first appointed me, gave me a marching order, and he said, John, we know you need money for highways. He said, I want you to go in and testify to the magnitude of the need, and you leave how that is paid for to the legislature.

Now, that was instate, in Wyoming. And at the risk of sounding flippant—I do not want to put in flippant terms at all—I recognize that there is a huge challenge before you all. We respect the hard work that you are going to have to do. There are a number of options, and we will be happy to provide you with what we have got.

Ms. EDWARDS. Thank you, Mr. Chairman.

Mr. DUNCAN. The gentlelady's time is expired.

We turn the time over to Mr. Babin.

Dr. BABIN. Yes, sir. Thank you, Mr. Chairman. I really appreciate it.

A major issue that is facing my district, 36 in the State of Texas, is the integration of Highway U.S. 59 into Interstate 69. And while the benefits of this project are very numerous, there is also a very strong concern by some of my constituents that these new Federal truck weight standards will disrupt the decades-long practices of loggers and other industry.

Simply put, the route of this highway will stay the same, but new weight standards could dramatically impact the way companies throughout Texas and America do business while traversing the highway. Notably, log trucks will have to reduce their weight by 4 tons, a substantial loss with mills and logging contractors and truckers that already have very thin profit margins. Many of these loggers have already left the industry in recent years.

My first question: Throughout your time as a mayor or as the State department of transportation director, have you confronted a similar challenge as regards upgrading an existing State or U.S. highway to a Federal interstate? Are there not a number of States where weights are grandfathered in, where a State highway or a U.S. highway has become an interstate? Can you speak to that, please, sir?

Mr. COX. Mr. Chairman, Representative Babin, Wyoming does not have that kind of transition in progress, nor have we contemplated one that would go from a State route, a lower designation route to an interstate. But I would tell you that there is a dramatic difference between what is allowed by the Federal Government on the interstate, the 80,000-pound max size and weight limitations, and what is allowed on the two-lane highways in Wyoming.

Perhaps more compelling is that—and I am kind of speaking from a western perspective here, but having been in meetings with Western States, we are all over the map. It is very difficult, without changing a highway designation like you are referring to in Texas—

Dr. BABIN. Right.

Mr. COX [continuing]. There is dramatic differences as soon as you cross the border into the neighboring State in a number of in-

stances. And so there is a move on to allow States flexibility to get together and develop a coalition and try to solve those problems regionally, rather than—rather than just having State-to-State standards. That said, AASHTO has not taken a position on size and weight, but I would tell you that that's a pretty much front-burner topic in many States.

Dr. BABIN. Thank you.

Mr. Mayor?

Mr. BECKER. Thank you. That's not an experience, as you can probably imagine, on a community level, that we—we certainly do experience, oftentimes, how do we handle the increased weights and traffics on our—and traffic on our roads, and we are continually having to upgrade our roads to try to deal with weights, and the increased weights, I do know, pose an incredible challenge for us in our community, when we see these heavier vehicles going on roads that just weren't built to that—to that standard.

Dr. BABIN. Yes sir, and I appreciate that. I'm sorry that the Governor had to leave, because I am sure he has had that experience in North Carolina.

But let me follow up. Hearing what I have said, would you recommend that policymakers in Congress and the Department of Transportation err on the side of grandfathering in longstanding traditions, such as truck weights, when a highway is being upgraded to an interstate? Especially to preserve the integrity of the biggest interest group in industry, in this part of my district, in what we call DPS Texas. Because I know there are some other States that have done this in the past. Because that is a substantial drop in a payload, a cargo of logs, to go from 88,000 pounds to be specific in the State of Texas, down to 80,000 pounds. That's 4 tons. Would you recommend erring on the side of the industry?

Mr. COX. Mr. Chairman, I'm sorry, could you repeat just the last part of your question?

Dr. BABIN. Yeah. I'm asking you if you think it would be wise for policymakers in Congress, and with the Department of Transportation, to side on the grandfathering of longstanding traditions, and make a grandfather clause, if you would, for these truckers and these people in the timber industry in my part of the State of Texas, so that they don't have to lose 4 tons of cargo in an industry that is already operating on very thin profit margins.

Mr. COX. Mr. Chairman, Representative Babin, this response isn't direct to your question, but it does apply to it, and it's a little bit from the hip. But I would tell you that it seems to me that just simply allowing State flexibility in that specific matter, rather than grandfathering something, or grandfathering certain people, or a certain route, just allow State flexibility might be something to contemplate.

Dr. BABIN. Thank you.

Mr. HARDY [presiding]. The gentleman's time has expired. I'd like to turn the time over to—

Dr. BABIN. Thank you.

Mr. HARDY [continuing]. Gentlelady Frankel.

Ms. FRANKEL. Thank you, Mr. Chair. Thank you gentlemen for being here. And without being repetitious, I just want to say I join

my colleagues in urging that—that we all dig deep to find a sustainable funding source for our Highway Trust Fund.

I want to move on, to say that I was a mayor for 8 years, so I am very sympathetic to the local funding issues. And without just repeating some of the testimony, I would ask you, Mayor Becker: Is there a specific formula that you advocate—I think we talked—you talked about sending money directly to the MPOs, but is there any incentive program or formula that you would recommend?

Mr. BECKER. Yes, thank you. So I mentioned these before, but I think what we proposed from the local and regional perspective is that a greater share of the surface transportation funds go to local governments, and specifically, it's presently 75 percent, I think, going to States. And we believe having a 50/50 share makes a lot more sense, and brings everybody to the table in making the decisions about prioritizing our transportation funds.

Ms. FRANKEL. And I—did you want to respond to that? No.

But I come from south Florida, and one of the issues that comes up quite often is local governments having more flexibility to use some of the capital funding for operational funding. Would you like to weigh in on that?

Mr. BECKER. I can't weigh in on behalf of the National League of Cities. I will just say that I try, in my own budgeting, as I'm sure you did as—as mayor, to have a very clear line between capital and operational money, and not to use one-time monies for operational money, and I think if there's a long-term transportation funding bill that we can rely on, then that issue tends to go away. And providing the flexibility, I think, makes the most sense.

On the other hand, if the Federal priority is for capital expenditures, tell us and we will follow, obviously, your direction accordingly.

Ms. FRANKEL. Well, OK, Mr. Cox. Did you—you're shaking your head.

Mr. COX. Mr. Chairman, I'm in agreement with what the mayor said.

Ms. FRANKEL. One of the issue—I just want to take that a little bit further, because what we're finding in south Florida, and this is probably true in most parts of the country, is that our population is getting older and older, and the need for public transportation is increasing, and will increase. And that seems to be where there is a shortfall in the budget, which is: operating funds to move public vehicles.

Are you not allowed to say anything, because this is not a position that the League has taken, or—

Mr. BECKER. No, I will tell you, we see the exact same conditions in Salt Lake City. I can tell you on behalf of Salt Lake and my experience there, the elderly, the millennial generation is moving away from an auto-focused world, either out of necessity or out of desire, or different ways to stay connected in different ways and—we—our greatest need in our community is not, today, for road funding. Our greatest need in our community is for increased transit funding and providing for alternative modes of transportation.

And to the extent as we've described even in our proposals with TAP funding and CMAQ funding, and other funds, you can both move more of that funding to the local level, where so much of our

population lives and where conditions are changing, and allow us to address those needs, which can be different in Laramie, Wyoming, than they are in Salt Lake City or Miami-Dade area. We're going to be able, I think, to negotiate among ourselves to reflect those needs, and meet what is a rapidly changing desire for more options in our transportation infrastructure.

Mr. COX. Mr. Chairman, the one thing I would say here, is remember: \$15 problem, 10 bucks to solve it. And so as we contemplate these further options, also remember that one size doesn't fit all as the mayor just—as the mayor just hinted at.

If the program doesn't grow measurably, it will detract from a situation that I think is nationwide, but let me just tell you what Wyoming is. Wyoming is \$64.5 million a year from keeping our transportation system, that is under State jurisdiction—which includes mileage in towns—in its present condition. Sixty four and a half million dollars a year short of that.

And I believe that that's a situation that—that is nationwide in their numbers.

Mr. HARDY. The gentlelady's time has expired. I'd like to turn the time over to Mr. Webster.

Mr. WEBSTER. Thank you, Mr. Chair.

Mr. Cox, in the area of transportation-disadvantaged funding, there has been a GAO report from time to time identifying all kinds of waste, and this particular case in almost every one of those reports TD is mentioned. And the reason is because there's 87 different programs, some of which are—there could be one person covered by eight different TD programs.

Theoretically, for instance in Orlando, Florida, where I'm from, that we have a new VA that's being built, a huge beautiful building that's almost complete, and the VA is working on a program where they would buy vehicles and would give door-to-door service for the—for any person that's in the system.

On the other hand, our same provider of transit also offers door-to-door service. So that's just two. There's some programs where they cover one person, like I said, eight different times; same need. And theoretically, could have a transit vehicle going down a street picking up one person, and then there could be someone else, who is qualified under the same exact thing, being picked up by someone else.

I just wondered if AASHTO has done anything in trying to grab hold of that issue at all?

Mr. COX. Mr. Chairman, I'm going to need to get back to you with information on that. I'm not prepared to answer that today, I'm sorry.

Mr. WEBSTER. OK, thank you. Then, I had one other thing, and that is in the area of planning, when we talk about regional planning, there's a lot of talk about the Governor and others about the fact that, you know, roads and transportation facilities don't end at the State line or even county lines or city lines, so forth; so there has to be some sort of planning.

On the other hand, I guess we would want to maintain the sovereignty of the States. Has AASHTO come up with any kind of way where we might use some sort of either benefit or encouragement that would allow us to do those kind of planning between either

States or even in other areas? Even sometimes there's—it's difficult to even in coordinating between different MPOs and others. Is there anything you've done in that arena?

Mr. COX. Mr. Chairman, if your question—Representative Webster, if your question is across State lines involving more than one State, I would have to get back to you with information on that. I can't answer that question, but I will be happy to get back to you.

Mr. WEBSTER. Mayor, could I ask you one question, and that would be from a National League of Cities standpoint, is there a common goal on how cities would normally get their transportation issues funded for your own local roads, in that in some cases the State gets money and some cases the County has a gas tax or so forth, or maybe it's even local option taxes or other things. Is there a—do you have—I mean, or is there some sort of commonality in how cities would get some sort of revenue sharing from that?

Mr. BECKER. I'd say there is a commonality. Certainly the gas tax is probably in every State, and there are probably different ways that it's allocated. In the State of Utah for example, 30 percent of the gas tax goes to counties and to cities.

Mr. WEBSTER. Do you divide that up by an interlocal agreement of some sort?

Mr. BECKER. It is directed in State legislation. And then there are other authorities, for example, in our State, for transit where there is a local option sales tax that at the community level the community can opt into. There is a regional—it's actually a state-wide, but it operates on a regional basis, by opting in for local governments to participate in the transit program, which is regional in nature.

I will say in—with your last question, the State of Utah developed a unified transportation plan that I mentioned earlier, that brought every local jurisdiction, all of the MPOs and the State, as well as the transit agency all together through a major public involvement process and thorough vetting and came up with a unified plan for the entire State; for all parts, local transit and State transportation program that has really served as the gathering place for us to determine what our needs are for the next 30 years.

Mr. WEBSTER. Yield back.

Mr. HARDY. The gentleman's time has expired. I'd like to recognize Mr. Rokita for 5 minutes.

Mr. ROKITA. I thank the chairman. I appreciate the testimony. I know it looks like we're coming up on about 3 hours of you guys—gentlemen sitting here, so I appreciate your patience.

I'm new to the committee, and so a lot of folks have been visiting me with different interests in my office and I wanted to get your opinion, either your association's opinion or your personal opinion or both on a couple of things.

First, regarding project labor agreements, or Davis-Bacon or however you want to talk about it. Is there an appreciable difference in quality between non-PLA projects and ones that are done under project labor agreements or through Davis-Bacon? And is there an appreciable difference in cost?

[Pause]

For example, I'm told—alright, via some information I'm receiving, that you can build 20 percent more road if you don't use a union. What's your opinion, as experts in the field?

Mr. COX. Mr. Chairman, I'm no kind of expert on union, because Wyoming's a decidedly nonunion State, so my experience doesn't stretch over that at all.

Mr. ROKITA. OK. But what's your experience in terms of your association?

Mr. COX. We would be happy to get back to you on that.

Mr. ROKITA. Oh yeah, that reminds me. When—OK, I appreciate that. I'm not trying to be tricky with you, but when can you get back with me? Can you give me a date? What's a fair amount of time?

Mr. COX. Within a week.

Mr. ROKITA. Ah, that's fine. So, within a week, I just want to get that on record.

Mr. COX. Sure.

Mr. ROKITA. And then, Congressman Webster asked a question that you were going to get back with him on too, do you have a date for that?

Mr. COX. Mr. Chairman, it's in our interests to get back to you immediately with information—

Mr. ROKITA. I know, and you guys are great at the State level. I don't have that same kind experience at the Federal level, so I just want to get—make sure we have an understanding of when we might get a response.

Mr. COX. And we'll get back to you on both of those within a week, sir.

Mr. ROKITA. Thank you, sir.

Mayor?

Mr. BECKER. I just—the National League of Cities does call for some flexibility with the Davis-Bacon Act. On the primary question you're asking, in terms of additional cost, I do not have any information on that, I'm sorry to tell you.

Mr. ROKITA. So as a mayor, you don't—you don't find any appreciable difference in quality under cost?

Mr. BECKER. No. In fact, I will tell you my experience, and we've undergone major building projects, public projects. Salt Lake City-sponsored projects. We have actually found that our costs—that the quality control that comes through assuring folks have been through apprenticeship programs and have good training and have some standards to meet, are beneficial in our community.

Mr. ROKITA. OK. Thank you both.

Dr. Babin, I thought, if I understood him right, was asking something maybe similar, so I apologize if I'm repeating, but I want to ask specifically about the concept of twin 33 trailers. And then specifically about the concept of increasing weight from 80,000 pounds to 100,000 pounds, distributing that over a third axle. I'm being told on the latter, for example, that that actually saves roads because it disperses the weight, and I would like your opinion on that, and again on the concept of twin 33s.

Mr. COX. Mr. Chairman, I'm not an engineer, but from an engineering perspective, the computation of the impact on pavement life by weight is by per axle. And so there is an argument to be

made, but I can't tell you—I'm not going to take one position over the other.

From our perspective, in the West, and I think across the rest of the States as well, the deterioration in the pavement based on weight—axle weight is one consideration; safety is another consideration. So in the whole—in the broader discussion of increasing size and weight and length, that has to be taken under—

Mr. ROKITA. And then, 10 seconds on twin 33s? Same—same answer?

Mr. COX. Same answer.

Mr. ROKITA. OK. Mayor, thank you.

Mr. BECKER. I'm sorry, I don't have anything to add to that.

Mr. ROKITA. Do you agree? With that answer?

Mr. BECKER. Oh, I agree with everything that Mr. Cox has said the entire morning.

Mr. ROKITA. Fair enough. In the remaining time I have left—I'm very interested in streamlining the regulation process, and I think Congressman Mica might have asked about that before I got here earlier in the hearing, but it's hard for me to get some pinpoint regulations to work on streamlining, so I'd like your opinion on any particular regulations that you would like to comment on and if MAP-21 is doing its job or not in terms of that streamlining.

Mayor?

Mr. BECKER. First I'll say, I think MAP-21 has really been a step in a great direction. And I will say that at the Department of Transportation, they're working very hard on streamlining. We have a long ways to go.

Mr. ROKITA. Any particular thing I could work on?

Mr. BECKER. What I would say is, you take the Council on Environmental Quality guidelines for the National Environmental Policy Act, and make those truly the core and the basic requirement for all agencies and go back to those guidelines. We will reduce these incremental additional steps that have been added agency by agency, and still accomplish the same goals.

Mr. ROKITA. Thank you both.

Mr. HARDY. The gentleman's time has expired. I'd like to give myself 5 minutes, if I could.

Gentlemen, probably you, Mayor Becker probably, mostly could answer this: During our discussions, we've talked about light rail and alternate modes of transportation; bicycle, and other. With these components—we all support them, we all think they're great aspects of getting around. Myself, I haven't seen the percentage of bicyclers commuting to work on bicycles, at least in the West, like maybe they do in the East, but that's neither here nor there.

With these alternate modes of transportation, and most of where the majority of our dollars are obtained, like fuel tax; do you see us being able to continue to sustain the type of transportation infrastructure that we want, to continue to fund these type of projects, or should we be looking at another alternate mode of financing for these light rail systems, for these bicycle transportations, and being a guy from the construction industry, I do know that anything tied to a highway, if it's a bike lane, costs just as much to put in place as it does—as the highway itself, because that structure has to be put in. I mean, if it's a designated bike lane

outside of that right-of-way, then it is a cheaper avenue, but any comments on that?

Mr. BECKER. Yes, thank you. The easiest way, of course, to provide bike lanes is to provide the space and simply paint the lanes, and that is such an easy thing to do, and provides a basic form of safety.

When we get to protected bikeways, then obviously the costs escalate pretty dramatically, but then with that as well, the estimate is in our analysis, and in our community and we're seeing is that when you provide additional safety, then people feel much more secure getting out on the road, and we—and the numbers of people going up, we've been seeing 25-plus percent increases a year when we start putting in additional safety measures. And that obviously doesn't take nearly as much space on a road for someone who's cycling.

Similarly for transit, and I know my former colleague, who's now Speaker of the House, Greg Hughes, in testifying before our committee here noted that, as the leader of the Conservative Caucus and our State House of Representatives, he is the strongest advocate for transit, because it is the most efficient way to move people in an area. When you look at the number of people you can move in a single-occupant vehicle versus on a train or on a bus, it is a much more efficient way, and if we have a good transit system that is accessible and that is convenient, that people will use it.

Our greatest demand, as I mentioned earlier, is for the—

Mr. HARDY. I'd like to interrupt you just a minute. I agree, people are using it, we need to—it's a—educational process is a great thing, but if we went over to transit tomorrow, and everybody went 100 percent, how do we fund it, based on our tax dollars? That's the question I'm asking here. Where—we've got to look at a different—it's been paying the way through fuel tax for years, and I think that's been part of the demise.

We haven't looked far enough in the future, how we're going to fund these projects, other than a fuel tax.

Mr. BECKER. So my—my basic answer would be that for buses it makes sense to still use the fuel tax, because buses are using roads just like cars.

For rail, we use a separate—and we do actually for transit in the State of Utah; we use a local option sales tax. And it is by a vote of the people to support improvements to our transit service. That is required, by the way our State law works.

It may be that a different source of funding is a better source of funding for transit, recognizing what you're saying, you know, a fuel tax goes to roads. And we would welcome whatever form you come up with and we'll support you in that.

Mr. HARDY. Any comments, Mr. Cox?

Mr. COX. Mr. Chairman, let me just give you a comment, kind of in the highway context. You made the concession that the use—and I'm going to talk specifically about vulnerable users on the highway systems. Specifically bicyclists; that's something that I do. I understand it.

Also, I'm around the planning process, and around the highway building process. There's no question that the use is up, even in a rural setting like where I live. And so even if there were no re-

quirements to take that into account in our planning process, we would anyway, because it's a reality that we have to deal with there.

I believe that there is—that that is something that—that would be universal among the States, and I think that—that when—I don't know how to answer your question about how to pay for something that—that isn't directly underwritten by the—by the user fee under today's construct, but I would tell you that it's something that we have to pay attention to.

I also believe, that—because this is the world we live in, in—Wyoming, is that some of those accommodations can be readily made with safety measures on the existing roadway, and when you improve and add enough to not greatly spread the cost, but accommodate both types of user.

Mr. HARDY. Thank you. My time has expired also.

Are there any further comments from the committee members?

Seeing none, I would like to thank the witnesses. I really do appreciate your being here. I think your responses and your testimony today, your contribution today as discussed has been very informative and helpful.

I'd like to ask for unanimous consent that the record of today's hearing remain open until such time that other witnesses have provided answers to any questions that may be submitted to—in writing, and the unanimous consent that the record remain open for 15 days for additional comments and information submitted by the Members and the witnesses to be included in the record of today's hearing.

Without objection?

Seeing none, so ordered.

If there are no other Members having anything to add, the committee stands adjourned.

[Whereupon, at 12:13 p.m., the committee was adjourned.]



Statement of

The Honorable Pat McCrory,
Governor of North Carolina

&

Member, Executive Committee,
National Governors Association

Before the

House Committee on Transportation and Infrastructure

On

“Surface Transportation Reauthorization Bill: Laying the
Foundation for U.S. Economic Growth and Job Creation,
Part II”

March 17, 2015

Chairman Shuster, Ranking Member DeFazio and members of the House Transportation and Infrastructure Committee, thank you for inviting me to testify today on behalf of the National Governors Association (NGA) and the citizens of North Carolina whom it is my honor to represent. As a member of NGA's Executive Committee, let me assure you that there is strong bipartisan support among governors to work jointly with our federal partners to build a foundation for surface transportation reauthorization that will significantly enhance the long term quality and health of our nation's infrastructure.

I'd like to highlight several important factors this morning:

- Our nation's multi-modal transportation and related-infrastructure systems support and enhance the economic growth of our states, territories and the nation. Together, surface transportation and infrastructure help sustain quality of life, enhance public safety, and enable the flow of interstate and international commerce that underpins our nation's competitive position in the global economy.
- Over the years, previous surface transportation reauthorizations and short-term legislative extensions have created uncertainty at the national level. This triggered necessary and pragmatic actions at the state level to maintain and develop our vital infrastructure. Governors, however, agree that successful state action does not justify federal disengagement or devolution.
- Governors agree that a well-functioning surface transportation system requires both a long-term vision and funding stability to provide for our nation's diverse mobility needs. The process for maintaining our nation's transportation infrastructure requires an intergovernmental partnership at the federal, state and local levels.
- I am here today to highlight important surface transportation planning efforts and projects we have underway in North Carolina, and to ask Congress to pass a surface transportation bill that provides states with the *certainty* needed to budget and plan for the future. We also ask that Congress provide states with the *flexibility* needed to determine how best to use the federal transportation dollars that we receive.

Surface Transportation's Effects on National and State Economies

Our nation's infrastructure systems provide the skeletal structure that promote the flow of commerce in our nearly \$18 trillion economy, sustain quality of life, and enhance the economic growth of states and the nation.¹

Thanks to our investment in roads, rails, airports, water ports and waterways, North Carolina is globally competitive.

In North Carolina, we have long recognized that our state's transportation infrastructure plays a critical role in attracting and retaining businesses, while connecting people to jobs, healthcare, education and recreation. Just last summer we announced 1,262 new jobs with Sealed Air outside of Charlotte – the second biggest jobs announcement since I was elected governor. One of the main reasons Sealed Air chose to locate to North Carolina was its infrastructure, including the

¹ U.S. Bureau of Economic Analysis, National Income and Product Accounts, BEA 14-65 (Dec. 23, 2014).

Charlotte Douglas International Airport. This isn't an isolated occurrence – businesses are looking for strong infrastructure.

That is why we helped pass a data-driven New Mobility Formula two years ago which allows us to more efficiently prioritize the most important projects for the next 10 years. In addition, I unveiled a 25-year vision for North Carolina, "Mapping Our Future," in September that maps our future for infrastructure investment over the next 25 years to best leverage our infrastructure to catalyze economic growth. The vision recognizes that just like the nation, our transportation infrastructure can't be improved with a 'one-size-fits-all' approach. Each region of our state is different and has its own distinctive needs. Through our vision, we address those diverse needs and identify specific solutions to help each region thrive.

We are currently the 9th most populous state and the 12th fastest growing state in the nation. With 10 million current residents, we are projected to grow to 12.5 million residents by 2040. We have been recognized as the 4th best state in the nation for business and currently serve as headquarters to 21 Fortune 1000 companies, including one of the most varied biotech sectors in the country. We are ranked first in the southeast for manufacturing employment. It may surprise you to learn that we have the second largest highway system in the country, the second largest state-owned and operated ferry system in the country, we support 99 public transit systems and two major ports. At the same time, our transportation network is at or beyond its capacity in the fastest growing areas of our state.

North Carolina used the New Mobility Formula to create our draft State Transportation Improvement Program to program 1073 projects across all transportation modes and in all 100 counties over the next 10 years. This means we are able to fund about 300 more projects and create roughly 126,000 more jobs than we were able to create under the old formula. Our 25-year transportation vision maps our future and guides infrastructure investments over the next 25 years. It will connect small towns to economic centers. These connections will make it easier for people to travel to jobs, schools, hospitals and parks. Our 25-year plan also recognizes that even with the new formula, we can only build one out of five projects, and counties and cities tell us they need more.

Now we have shifted our focus on investing in our vision. The funding we have to invest in our transportation infrastructure to address these needs is insufficient. Using funds currently available, we will only be able to fund approximately 18% of transportation projects submitted by local planning organizations over the next ten years. Over the next 25 years we have identified our needs between \$94 and \$123 billion. We simply must find a way to increase our funding of investments in all modes of transportation. If we don't invest, we risk delays in the delivery of goods and services, inefficiencies in the movement of freight, and lost time due to congestion during daily commutes. With state travel estimated to increase 60% by 2040, we face unique challenges as we work to reduce congestion, enhance connectivity and offer more travel options.

We are pursuing alternative revenue solutions such as increased use of public-private partnerships and taking advantage of low interest rates for bonding, as well as grappling with identification of new and innovative revenue mechanisms. I've advised the General Assembly in Raleigh that I'm requesting a transportation bond of \$1.2 billion that will allow for the quicker construction of projects in the 25-year vision plan. Projects funded through a revenue bond would be the next projects in line, scored under our Mobility Formula, with environmental documents in place so we can begin these projects immediately. This proposed bond is part of our 25-year vision. For our coastal counties we'll make it easier for the military to move troops and equipment during

deployments while helping transport goods at our ports. It will relieve congestion during the busy tourist season and improve emergency evacuation routes. All of these factors contribute significantly to our national security, to the economy of North Carolina and the southeast and to the quality of life of the millions of citizens who call North Carolina home as well as to the millions who visit our state for business and pleasure.

But make no mistake: part of the solution must be continuation of a strong, flexible and reliable federal program, which currently makes up almost 28% of our total transportation budget.

I am not here to endorse devolution of the federal surface transportation programs. In fact, I believe the federal government plays an extremely strong role in ensuring our country is able to move goods and people throughout our 50 states. I know Chairman Shuster is fond of saying that our Founding Fathers understood the important role of the national government to maintain public works to facilitate interstate commerce. In doing so they laid the groundwork for connecting the country through trade and travel and recognized the critical role of an efficient, robust infrastructure network. Since that time, there has been a clear and consistent federal role and a national interest in developing, maintaining and supporting the vital transportation infrastructure that connects American consumers, manufacturers and farmers to domestic and world markets.

President Eisenhower, the “father” of our nation’s remarkably innovative Interstate system, observed that without the unifying force of transportation, “we would be a mere alliance of many separate parts.” I completely agree. However in recent years, the federal program has not kept pace with the states’ needs – which are the nation’s collective needs. Congress is stymied in enacting longer term legislation and more reliable funding streams. But elimination of the federal program would be catastrophic not only to North Carolina: most, if not all, of the states you represent and the country as a whole would suffer.

North Carolina is home to seven military bases and 110,000 active duty personnel. This significant footprint includes some of the nation’s most vital commands. For example, the Military Ocean Terminal Sunny Point, the United States Army’s largest ammunition port and the Army’s primary East Coast deep water port, is located in Brunswick County, North Carolina.

Providing improved rail and highway connections between these facilities is an essential part of our 25-year plan. Failing to invest in these connections that support military freight and deployment needs threaten to negatively impact our nation’s military readiness. These connections are also important to connect active duty personnel and their families to education, healthcare and recreational opportunities that improve their morale and quality of life.

Governors need certainty at the federal level so states can plan for and make infrastructure improvements, as well as maintain our existing systems. A long-term federal transportation reauthorization will provide that certainty.

A continued federal investment is also necessary to leverage our efforts to maintain and improve infrastructure systems to meet our nation’s surface transportation needs. The responsibility of the nation’s interconnected transportation network cannot be left only to states and their municipalities because all levels of government must partner together to foster a cohesive transportation network, not a patchwork across the nation.

Federal highway and transit programs and funding should provide maximum flexibility to the states for implementation and innovation because of our diversity of geography, population, and priorities. Well-managed dollars committed to infrastructure improvements help our economy and enhance the ability of our industries to transport goods and provide services. Investing today in surface transportation is a long-term commitment towards our economic viability and the safety of our citizens. Therefore, I urge this Committee, with its great bipartisan history, to lead your colleagues in Congress to prioritize infrastructure as an investment in America's future and identify reliable and sustainable funding sources so these important programs can continue without interruption, and also grow and thrive.

Governors across our country are championing infrastructure. Investing in infrastructure continues to be a central theme in many "State of the State" addresses. What are governors saying? Let me offer some examples:

- *A recently completed Battelle study demonstrates the need for us to take a hard look at adequate road funding. The study shows that without action, funding available for road and bridge maintenance will fall short of what is needed to remain competitive and, more importantly, safe. Without action, Iowa's roads and bridges face an uncertain future. Our farmers will find it more difficult in delivering commodities to market. Business and industry will look elsewhere when considering where to invest and grow. As the study found, sound infrastructure remains a prerequisite for economic development. This is our opportunity to pave the road toward Iowa's strong future.* Iowa Gov. Terry Branstad, January 13, 2015.²
- *We know that transportation and economic growth are bound together. States that make long-term investments in their infrastructure can have vibrant economies for generations. States that don't, will struggle. It's that simple. Transportation connects us – literally – community to community, state to state, nation to nation. It connects us to economic opportunity, and it connects us to one another."* Connecticut Gov. Dannel P. Malloy, January 7, 2015.³
- *The key issue is public safety.... So, when you drive Michigan and you see plywood underneath the bridge, why is it there? It's keeping crumbling concrete from falling on your vehicle, that's unacceptable. When you talk about our roads and you see those potholes, just think about the issues and concerns you've had this personally. When you swerve to miss a pothole, you are a distracted driver. You are putting yourself at risk and other drivers and other people. If you hit that pothole and you blow a tire you're at risk of a major accident. That is unacceptable. We need to do something folks. It's time to get it done.* Michigan Gov. Rick Snyder, January 20, 2015.⁴
- *Without action, there will be a 52 percent cut in the maintenance budget, and 71 bridges will become structurally deficient or functionally obsolete. Without action, commute*

² Gov. Branstad Delivers 2015 Condition of the State: "Together We Can". Web. 24 Jan. 2015.
<<https://governor.iowa.gov/2015/01/gov-branstad-delivers-2015-condition-of-the-state-together-we-can/>>.

³ Malloy, Gov. Dannel, "Governor Dannel P. Malloy 2015 State of the State Address". Web. 09 March 2015.
<<http://www.governor.ct.gov/malloy/cwp/view.asp?A=11&Q=559062>>.

⁴ Snyder, Gov. Rick, "2015 Michigan State of the State Transcript". Web. 9 March 2015.
<http://www.michigan.gov/documents/snyder/2015_Michigan_SOTS_Transcript_479562_7.pdf>

times will continue to rise, robbing us of time with our families. Without action, our ability to move goods efficiently will be diminished. Washington State Gov. Jay Inslee, January 13, 2015.⁵

In my own State of the State address last month, I highlighted that during the past decade or so, as I have driven down the highways of North Carolina, I've noticed it goes from two lanes, to four lanes, back to two lanes, to eight lanes to four lanes and then back to two lanes. And everywhere it gets wider it's named for a politician or a Department of Transportation board member. And where the congestion choke points still exist, the road is nameless.

That's not the way we do things anymore in North Carolina. We've taken the politics out of road-building by putting in place a transportation formula that focuses on relieving congestion, improving safety and growing and connecting the economy in all parts of our state. Those changes allow us to be more efficient with taxpayer dollars. In fact, we've more than doubled the number of transportation projects that will be built. This new approach will create thousands of new jobs during the next 10 years.

MAP-21 Reauthorization: NGA Policy Priorities

The seeds of a renewed national commitment to surface transportation infrastructure were planted more than two years ago when Congress passed the Moving Ahead for Progress in the 21st Century Act (MAP-21), which authorized federal laws for highways and transit for 27 months. In advance of MAP-21, governors worked through NGA to inform congressional action. NGA also led an effort among national organizations representing state and local elected officials to develop guiding principles for Congress. (See *Attachment One* for NGA's Transportation and Infrastructure Policy).

Governors appreciate that MAP-21 reflected many of our bipartisan policy priorities. In particular, governors supported the preservation of innovative financing tools such as public-private partnerships and the expanded capacity of the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance program. These financing tools cannot substitute for reliable and sustainable funding sources, but they are an important complement. The development of new infrastructure projects will need innovative project financing options, stable funding sources, intergovernmental partnerships and multi-state coordination.

As Congress begins to work on MAP-21 reauthorization, NGA's principles remain relevant. Governors, as the "CEOs" of states, understand the importance of transportation infrastructure to economic competitiveness and job growth. To move our economy forward and be able to plan and execute long-term, multi-year projects, states need predictable federal funding and the flexibility to use existing and new financing mechanisms when public funding falls short.

We are aware that a range of funding options has been suggested because existing revenue sources cannot sufficiently support the various federal trust funds that help finance transportation and infrastructure.⁶ I believe we would all agree that if there were one easy, viable "silver bullet

⁵ Inslee, Gov. Jay, "2015 State of the State." Web. 24 Jan. 2015.

<<http://www.governor.wa.gov/news-media/news-media/speeches/2015-state-state>>.

⁶ See *Matrix of Illustrative Surface Transportation Revenue Options*, American Association of State Highway and Transportation Officials (2014). (Options suggested include standards such as the motor fuels tax; indexing; a shift to a sales tax on fuel purchases vehicle-miles-traveled fee; and customs and imported oil duties.)

option,” Congress would already have passed it into law.

Governors will leave it to experts to advise Congress on those options, recognizing that a combination of both short-term and long-term options may be required to safeguard the Highway Trust Fund. NGA stresses, however, that continuing to use general fund transfers to fill Highway Trust Fund shortfalls and operating federal highway and transit programs through a patchwork of short-term extensions are not sustainable options.

States and local governments need federal funding stability and certainty to pursue long-term planning and project delivery. This certainty was foundational for the 25-year transportation plan I instituted as mayor of Charlotte. Sound transportation policy and planning is a major factor in Charlotte’s economic growth and its ascendancy to become one of the major financial centers in our nation.

Infrastructure and Federal Tax Reform

In addition to the conversation surrounding MAP-21 reauthorization, NGA is engaged in other federal policy conversations—such as the one surrounding federal tax reform—that could affect states’ ability to fund or finance infrastructure. Funding infrastructure through taxes, tolls, and other mechanisms is different from financing infrastructure through debt and equity investments.

Practically every state and Puerto Rico issue general obligation or revenue bonds.⁷ For nearly 200 years, the \$3.6 trillion tax-exempt municipal bond market has helped states, cities, and counties finance infrastructure needs including roads, bridges, transit systems and other vital projects serving the public good.⁸ For example, while I was mayor of Charlotte, municipal bonds were the primary financial vehicle to launch Charlotte’s Lynx light rail system which now serves more than 5 million riders each year.

Since its inception in the early 20th Century, the federal tax code has excluded interest earned on municipal bonds from income. NGA cautions that ending or capping this federal exclusion could increase the cost of financing infrastructure projects, slow down or terminate projects, trigger higher taxes on citizens, or some combination. Consequently, NGA advocates that federal laws and regulations, either directly or indirectly, should not increase the costs states and their municipalities incur to issue municipal bonds or decrease investor appetite to purchase them.

Conclusion

The current surface transportation law expires at the end of May. If we truly believe that a strong national transportation system is essential to creating jobs and maintaining a strong national economy, we need a law that reflects that belief.

The short-term surface transportation reauthorizations and extensions patched together over the years created uncertainty at the national level and triggered action at the state level. Governors are leading the way, but let me be clear: while state and local governments can do a lot, we cannot do it all. I have described how we are improving infrastructure in North Carolina, but even with the

⁷ Transportation Governance and Finance: A 50-State Review of State Legislatures and Departments of Transportation, Joint Project of NCSL and AASHTO (May 2011). See page 33, n54.

⁸ Lambert, Lisa. "U.S. Municipal Bond Market Shrinks to Smallest in Five Years: Fed." *Reuters*. Thomson Reuters, 11 Dec. 2014. Web. 23 Jan. 2015.

remarkable progress we continue to make, we could greatly augment our effectiveness if we had reliable, long-term funding from the federal government.

Action at the state level must not be interpreted as an invitation for Congress to completely transfer the federal transportation program to state and local governments. Rather, to succeed, leaders across all levels of government must work together.

This spring, Congress has the opportunity to set a new vision for infrastructure investment in America. The current highway funding legislation will expire in 10 weeks. Let me repeat: the current highway funding legislation will expire in *10 weeks*. I am here on behalf of all my fellow governors to ring the alarm bell. States are in *dire* need of meaningful, long-term congressional action to avoid long-term *dire* consequences in our states. Governors urge Congress to avoid more short-term fixes and pass a long-term surface transportation bill that provides the certainty needed to plan for future projects and the flexibility needed to tailor those projects to the unique challenges that each state faces.

If we are serious about our economy, and I know that you are, then together we must be serious about our nation's infrastructure. The nation's governors look forward to working with Congress and the Administration to reauthorize MAP-21 and to demonstrate our shared commitment to an effective, well-functioning transportation system.

Thank you for the opportunity to testify. I would be happy to answer any questions that Committee members may have.

###

ATTACHMENT 1



EDC-02 Transportation and Infrastructure

2.1 Preamble

Our nation's multi-modal transportation and related-infrastructure systems support and enhance the economic growth of states and the nation. Infrastructure provides the skeletal network that connects the nation. Together, transportation and infrastructure help sustain quality of life, promote public safety and enable the flow of interstate and international commerce that underpins the United States' competitive position in the global economy.

Governors affirm the following guiding principles in federal laws, regulations, and practices:

2.2 Guiding Principles

2.2.1 National Vision

- To provide for our nation's diverse mobility needs, transportation and infrastructure policies require long-term vision and funding stability.
- The focus of federal transportation laws, regulations, and programs, regardless of mode, should include efficiency of delivery, reliability, capacity, system preservation, cost effectiveness, safety and security, innovative solutions, and partnerships.

2.2.2 Intergovernmental Partnership

- A strong federal-state partnership is critical for our nation's transportation and infrastructure systems because all levels of government have a role in transportation, which must be coordinated if we are to improve mobility and safety, protect the environment, and ensure the security of vital transportation and infrastructure assets.

2.2.3 Infrastructure

- A national commitment to bring existing infrastructure into a state-of-good-repair, and in targeted and strategic places construct new infrastructure, advances the ability of the United States to meet basic mobility and service delivery needs.

Infrastructure provides rural access and connectivity, strengthens economic competitiveness, helps reduce congestion, improves safety, supports environmental sustainability, and boosts quality of life.

2.2.4 Funding and Finance

- All options must be on the table for ongoing evaluation because existing revenue sources are no longer adequate to support the various federal trust funds that help finance transportation and infrastructure.
- Facilitating investment in infrastructure projects through existing and new self-sustaining financing mechanisms can help mitigate public funding shortfalls, particularly where there are sufficient estimated traffic levels. Successful mechanisms leverage capital markets and require borrowers to use revenues from projects to repay the financing, making capital available to lend for new projects. If federal funds help capitalize and sustain infrastructure-financing mechanisms, then those funds must be separate from trust fund revenues dedicated to core transportation programs.
- Infrastructure financing options assist states in building and maintaining projects, but financing alone cannot replace reliable federal funding mechanisms.

2.2.5 Certainty and Stability

- The design of federal funding mechanisms must maintain reliable, long-term funding certainty. The ability of state and local governments to plan and execute long-term, multi-year projects hinges on predictable federal funding.

2.2.6 Program Reforms

- Reforming and restructuring federal transportation programs may improve them provided restructuring preserves core federal programs, limits federal requirements that preempt state spending flexibility, and prohibits earmarks that diminish core program funding.
- Federal transportation programs and funding should provide maximum flexibility to the states for implementation and innovation because of our diversity of geography, population, and priorities.

2.2.7 Project Delivery

- Streamlined project delivery that reduces approval and completion times and improves efficiencies, while achieving the intent that underlies critical environmental, planning and design, and procurement reviews, requires a federal commitment.
- Governors encourage the use of leading-edge budgetary and analytical tools that, among other advantages, can help the public sector estimate life cycle costs for

transportation and infrastructure investments to ensure that they are built and maintained for the long term.

2.2.8 Public Transportation

- An ongoing, strong federal role is critical to help fund and deliver diverse public transportation solutions for metropolitan and non-metropolitan areas across the country.

2.2.9 Freight Mobility

- A multi-modal, interconnected national freight system should remain a common national goal.
- A federal freight strategy must provide flexibility for states to designate freight corridors within their borders, unconstrained by mileage limits, to connect to the national and international economy and to address states' unique needs and geographic interests.
- States have long recognized the importance of freight movement by engaging in extensive statewide and regional transportation freight planning, working with statewide freight advisory councils and delivering multi-modal freight transportation programs.

2.2.10 System Performance

- Federal incentives that reward positive outcomes in matters such as congestion mitigation and safety are better than prescriptive federal penalties focused on preemption and unfunded mandates.
- Outcome-oriented performance measures developed by states and national goals set by Congress should be clear, measurable, attainable, and fair.

2.2.11 Safety and Security

- All levels of government must cooperate to improve the safety and mobility of our nation's transportation systems, reduce fatalities and injuries, protect the environment, and ensure the security of infrastructure assets throughout the country.

*Time limited (effective Winter Meeting 2015 – Winter Meeting 2017).
Adopted Winter Meeting 2015.*



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT McCrory
GOVERNOR

April 24, 2015

The Honorable Bill Shuster, Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
2167 Rayburn House Office Building
Washington, DC 20515

Re: Questions for the Record for Governor Pat McCrory

Dear Mr. Chairman:

I am pleased to provide my responses to Questions for the Record submitted by Representative David Rouzer (NC-7) for inclusion in the record of the Committee on Transportation and Infrastructure Hearing on March 17, 2015, to address "Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth and Job Creation Part II."

Questions submitted on behalf of Representative Rouzer:

1. *Can you elaborate on how the new Mobility Formula program works and how it has taken the politics out of transportation decision-making?*

The Strategic Mobility Formula uses a mixture of data and local input to provide rankings by which projects are selected for programming. Using criteria established by the General Assembly, NCDOT produces scores for projects which have been submitted by Metropolitan Planning Organizations, Rural Planning Organizations and NCDOT Division Engineers.

Projects are programmed in the 10-Year Plan in the order of their score (highest to lowest). When funds are exhausted in the particular funding category, no other projects are added. While a project is included in the plan based on the score, it may not be the first project actually accomplished, if there are planning or other constraints on starting it. For example, Project B with completed environmental documentation may move ahead of Project A, which has not completed that process – but only if Project B scored well enough to be included in the available funding for that category.

By creating an open, transparent process of objective criteria and ranking, project selection is removed from the political process and accomplished through prioritization based on need.

Based on the size and type of highway or other facility, the funding is allocated from one of three categories, as described below:

Division Needs Category

Projects in this category will receive 30% of the available revenue, shared equally over NCDOT's 14 Transportation Divisions, which are groupings of local counties. Project scores will be based 50% on local rankings by area planning organizations and the NCDOT Transportation Divisions, and 50% on data.

Highway projects in this category are analyzed according to three criteria:

- Congestion (20%)
- Benefit/Cost (20%)
- Safety (10%)

Regional Impact Category

This category will receive 30% of available revenue. Projects on this level compete within regions made up of two NCDOT Transportation Divisions, with funding divided among the regions based on population. Data makes up 70% of the project scores in this category and local rankings provide the remaining score. Highway projects in this category are analyzed according to four criteria:

- Congestion (25%)
- Benefit/Cost (25%)
- Safety (10%)
- Accessibility/Connectivity (10%)
- Local rankings will account for the remaining 30%.

Statewide Mobility Category

This category will receive 40% of available revenue. The project selection process will be based 100% on data.

Highway projects in this category are analyzed according to five criteria:

- Congestion (30%)
- Benefit/Cost (30%)
- Economic Competitiveness (10%)
- Safety (10%)
- Multimodal, Freight and Military (20%)

2. *What other alternative funding options do you have under consideration to address the funding shortfall for transportation in the State?*

Past legislative action has provided a number of alternative financing and construction practices from which we are deriving diversification in our approach to this challenge. The second toll facility in the state is expected to begin construction this year, as part of a Public-Private-Partnership. Design-build projects are allowing us to realize savings from creative solutions proposed by private sector engineers. Recognizing the advantageous interest rate environment, we have proposed a major highway bond issue for presentation to the voters of the state this fall which will allow completion of a number of projects that have completed environmental documents, but which did not get programmed for construction.

Chairman Bill Shuster
April 24, 2015

Page 3 of 3

The North Carolina General Assembly has several bills relating to the issue under consideration. One piece of legislation includes a new assessment on automobile insurance liability policies, increased fees for various services provided by the Division of Motor Vehicles, and an increase in the Highway Use Tax (assessed at the time of vehicle purchase in state, or transfer of registration from another state.) This proposal includes a reduction in the base rate for our indexed motor fuels tax.

Another alternative that has been proposed creates an infrastructure access fee to replace/redefine the current vehicle registration process. Under this scenario, substantial reduction in the motor fuels tax would be replaced by annual fee revenue from the vehicles.

Working together with the leadership of the General Assembly, we intend to develop a forward looking system of funding that reduces our present reliance on motor fuels tax, as that source is projected to decline as fuel economy increases in the vehicle fleet.

Additional information is available on the NCDOT website at www.ncdot.gov/strategictransportationinvestments/. Please feel free to contact Don Voelker in the NCDOT Prioritization Office at (919) 707-4740 if we can assist you with any further questions you may have.

Thank you again for the opportunity to testify before the Committee on Transportation and Infrastructure on March 17.

Sincerely,


Governor Pat McCrory

cc: The Honorable Peter DeFazio, Ranking Member, House Committee on Transportation and Infrastructure
North Carolina Congressional Delegation
National Governors Association



STATEMENT OF

**THE HONORABLE RALPH BECKER
MAYOR, SALT LAKE CITY, UTAH**

**BEFORE THE
HOUSE COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE**

**“SURFACE TRANSPORTATION REAUTHORIZATION BILL:
LAYING THE FOUNDATION FOR U.S. ECONOMIC GROWTH
AND JOB CREATION PART II”**

**MARCH 17, 2015
WASHINGTON, DC**

Statement of

The Honorable Ralph Becker

Mayor, Salt Lake City, Utah

On behalf of the National League of Cities

Before the House Transportation and Infrastructure Committee,

“Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth
and Job Creation Part II”

March 17, 2015

Good morning, Chairman Shuster, Ranking Member DeFazio and Members of the Committee. I am Ralph Becker, Mayor of Salt Lake City, Utah and President of the National League of Cities (NLC). NLC is the nation’s largest and most representative membership and advocacy organization for city officials, comprised of more than 19,000 cities, towns, and villages representing more than 218 million Americans. The cities and towns in your districts are very likely members of NLC. I also serve on the Advisory Board of the U.S. Conference of Mayors. I appreciate the opportunity to provide the unique perspective of local governments on surface transportation programs; and to provide specific recommendations for a long-term reauthorization that builds on past success, but is reoriented to meet the future transportation needs of our nation.

I would like to thank the Committee for its work historically and presently on surface transportation. Decisive action on past authorizations ISTEA, TEA-21, SAFETEA-LU and MAP-21 kept America moving. And we know you are hard at work to continue that legacy for the next long-term reauthorization.

As Mayor of Salt Lake City and President of NLC, I’ve seen what is achievable when partisanship takes a back seat to policy. The visibility of the dialogue between leaders on this Committee and Secretary Foxx at the U.S. Department of Transportation is encouraging. We also have a great partnership with the Obama Administration and the U.S. Department of Transportation, which has ably implemented innovations like the TIGER program, and enacted a vast expansion of the TIFIA loan program in recent years. I had the distinct honor of welcoming

the President to our annual Congressional Cities Conference last week where he made clear his commitment to our infrastructure needs. And, of course, we are grateful to have one of our own, former Charlotte Mayor Anthony Foxx, as Secretary of Transportation. We see him on a regular basis, have appreciated his willingness to bring us into the policymaking process, and think he is doing a tremendous job over at DOT.

We are especially pleased that the Administration has proposed a bill, the GROW AMERICA Act, that can help us overcome the limitations of past authorizations. While we are aware that reauthorization is a process that will require close collaboration between the Administration, the House and the Senate, and countless stakeholders, we believe that GROW AMERICA is an excellent point of departure for these discussions, and we thank the President and Secretary Foxx for their initiative. We are hopeful that both chambers of Congress and the Administration can work productively together to craft a legislative solution that avoids the chaos and crisis we would endure if our surface transportation program authorization is permitted to expire.

Among local officials, including the 2,000 delegates who met last week at our conference, no federal priority rates as consistently high as transportation infrastructure. That's because for cities, every transportation project is a partnership — with other local and regional authorities, with the state, with the federal government, and with the private sector. That is certainly the case for our transportation initiatives in Salt Lake City. Local governments have a unique perspective within these partnerships. A period of rapid change in the transportation marketplace is underway, and it is being driven by the shifting demographics and technological advances happening in cities. For example, few would have predicted a generation ago that Salt Lake City would become one of the light-rail capitals in the nation, or that we would bring streetcars back to our city. But our TRAX light rail system, our Sugar House Streetcar and our bikeshare program reflect some of the changes our nation is experiencing in metropolitan areas all across the country.

The transformation of our transportation system in Salt Lake City and throughout our metropolitan area is occurring in varying degrees throughout the U.S. By necessity, local elected leaders are stretching the value of every dollar to invest in small- and large-scale projects of

practical design. We are making existing corridors and networks more efficient and multimodal; and doing so in ways that increase capacity at less cost to the taxpayer. These locally-driven solutions are offering more travel options to the public, helping shippers and businesses keep goods and products moving, and delivering a bigger boost to investors, developers and our economies overall.

Unfortunately, uncertainty at the federal level is causing discord in the intergovernmental partnership, and driving up the risk and costs associated with transportation finance and innovation. And States are not uniform in their approach to allowing municipalities to raise revenue through taxation to account for that uncertainty. Since 1978, 30 states have enacted formal limitations on taxes, budgets, or outlays on local governments. I know the committee agrees with me that Americans deserve something better than this. Americans deserve a world-class transportation system that improves on the status quo and takes us to a better place.

Time for a Change

As you know, when the Federal Highway Act was signed into law in 1956 it transformed our nation. The system connected the far reaches of our country, created jobs and opened new possibilities for economic development. It also fundamentally altered development within American cities. The highway system was federally planned and coordinated, but it responded to urgent local demands calling for cities and towns to be better connected.

Today, this vision needs an update. Development within cities, and therefore transportation as well, is being altered by new forces. Demographic trends indicate that a growing share of the nation's population will make metropolitan areas their home over the next several decades. A series of rapid technological advancements and changes in how people live are dramatically changing the nature of transportation and mobility in cities and requires that transportation resources have the capability to adapt. Smartphones have enabled users to access transit information in real-time. Application-based platforms such as Uber and Lyft are creating the on-demand market for transportation by innovating and, at times, competing with established

stakeholders in ways they describe as ‘disruptive’. They are also part of a broad new “sharing economy” that is impacting markets in unpredictable ways.

Electric cars are becoming more viable and less expensive, with almost every major automaker releasing an electric or hybrid model. And autonomous vehicles — driverless cars— are being developed as we speak, as the Chairman well knows! Google and Audi each predict that their respective autonomous models will be ready for market before 2020. Our transportation systems will need to adapt to this development.

That’s one possibility. Another is that public transit and active transportation maintain their steady rise. Transit agencies have reported growth in ridership in 12 of the last 15 quarters. Currently there are 99 transit expansion projects and 23 major system renovations underway throughout the country, in addition to almost 100 other projects in the pipeline at some stage of the planning, finance, and review process. According to U.S. PIRG and Frontier Group, young people aged 16-34 drove 23 percent fewer miles on average in 2009 than in 2001. In that same age group, only 67 percent of Americans have driver’s licenses. And according to the 2009 National Travel Survey, one in 12 U.S. households is completely car free.

From 2000-2012, the number of people who primarily bike to work increased 60 percent nationwide. In larger urban areas, the number of bike commuters more than doubled. Bikeshare systems have become commonplace, with 49 American cities, including Salt Lake City, implementing new systems and many more in the planning phases.

I know that the safe and efficient movement of goods and services is also high on the agenda for the next authorizations. Every link in the movement of goods from ports, agricultural centers, and manufacturing plants to their destination should be strong, but the links known as “first and last miles” are behind. The federal government is devoting significant investment to the modernization of U.S. ports to accommodate super-max containerships and ensure our global economic leadership. Investments in the roads immediately outside our ports and leading to the highway system should be made in conjunction with ports modernization, but unfortunately these municipally owned stretches of road are among our most neglected.

Mr. Chairman and members of the Committee, this is not to express preference for any particular mode – in Salt Lake City, for example, *we need all our modes* functioning at a high-performance level, and I know that is the case in all of our cities across the country. But it is to say that we now have more modes, more choices than ever before. Therefore, our federal, state regional and local transportation investments must reflect this new reality and be sufficiently nimble, flexible and targeted to the right level of government, to respond to an evolving metropolitan landscape. And in Salt Lake City, where 55 per cent of air pollution is from mobile sources, we'll need all the choices we can get.

So however the future of transportation unfolds, we know the Committee will need to balance investments with maintenance. Local governments own and operate 78 percent of the nation's road miles, 43 percent of the nation's federal-aid highway miles, and 50 percent of the nation's bridge inventory. However, over the past 20 years, roughly 80 percent of all funding has consistently been reserved for the highway system. And although the remaining 20 percent is theoretically devoted to transit and other alternative transportation programs, it is not easy to steer funding that passes through state departments of transportation away from auto-oriented projects.

Congress ought to fix this imbalance. The next transportation bill should directly allocate greater funding to local governments and provide more flexibility for local decision makers to choose the best mix of transportation options to fit regional needs. For example, in our state we have established the Mountain Accord to make critical decisions and implement solutions to preserve the Central Wasatch and ensure its long term vitality. Should proposals Mountain Accord makes in the future have a transportation component, we would look forward to working with all federal agencies involved in a collaborative and creative manner to help make our goals a reality.

Putting Cities and Metropolitan Areas at the Center of National Transportation Policy

In some ways, we are fortunate to have a surface transportation policy that requires periodic reauthorization. In theory, it should be easier to pivot funding according to changes in the transportation market. In practice, we know that change can be difficult even when it is as necessary and desirable as it is today.

The National League of Cities is working in partnership with all of the other major local government organizations to build support for the unified set of legislative proposals that I am submitting to the Committee today. The organizations that have authored and endorsed these proposals are the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Association of Regional Councils, the Association of Metropolitan Planning Organizations, and the National Association of Development Organizations.

The proposal is a course correction, not radical departure from the current authorization. But with four substantive changes, it does provide for a useful and needed reorientation of federal surface transportation policy toward cities and metropolitan areas where the changes in the transportation market are happening.

First, we propose that Congress increase the allocation of Surface Transportation Program funding available for local governments to invest in transportation projects that serve small and large urban areas, counties, and growth area within metropolitan planning areas. We believe a share of 75 percent allocated by population to local areas is reasonable given the significant share of the nation's infrastructure that is locally owned and managed.

Second, our proposal would reauthorize and improve the Transportation Alternatives Program (TAP) by increasing to 100 percent the share of TAP funds allocated by population to local areas, so that the modest funding reserved for this program cannot be diverted to projects at odds with active transportation options.

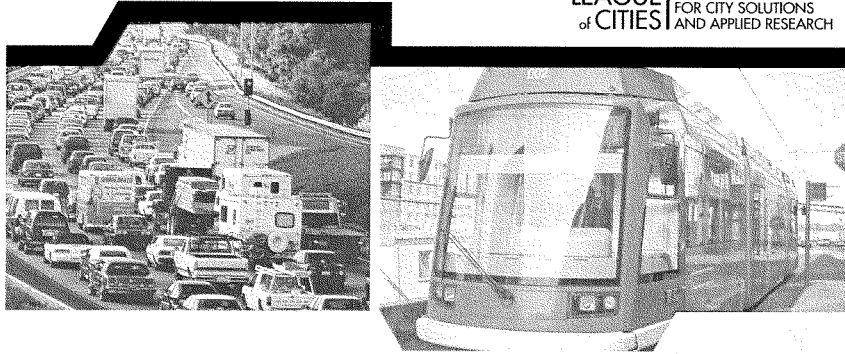
Third, our proposal would clarify that local Metropolitan Planning Organizations have the authority to select projects for use of Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds in areas over 200,000 in population, recognizing that MPO's are responsible for carrying out the conformity process under the Clean Air Act and should take the lead in determining the project mix that best achieves compliance with air quality requirements. We also recommend that Congress provide obligation authority to CMAQ projects, as is now done for Surface Transportation Program funds for local areas, so that areas in non-compliance with federal air standards have greater certainty and are better able to plan and budget for projects to help achieve compliance.

Fourth, our proposal calls for a restoration of funding for on-system, Non-National Highway System Bridges that was lost under consolidation in the previous authorization. In the past, these bridges were eligible for funding under the Bridge Program, which was eliminated under MAP-21. Funds under the Bridge Program were mostly reallocated to the National Highway Performance Program which, unfortunately, excludes these bridges from eligibility. We urge you to address these important bridge needs in the next authorization.

Conclusion

On behalf of NLC, I want to thank the Committee for inviting us to participate in this reauthorization process by giving you our views today. As important, I would like to offer the ongoing assistance of the elected and appointed leaders who are our members and our staff as you pursue the long-term, well-funded transportation reauthorization we all seek and for which we all strive. Let us know how we can help.

Thank you again. I look forward to any questions you might have.



CITIES, TOWNS and **COMMON GROUND**

The common ground for a long-term
transportation bill



EXECUTIVE SUMMARY

Metropolitan regions hold the key to our national economic vitality by providing more centralized opportunities for people to live, work, and reinvest their income in goods and services. The transportation networks of cities and towns are central to all of that—they are the means by which we move goods, reach jobs, connect with family and explore nature. They get people to work, freight to ports, and goods to market. Furthermore, all it takes is one falter, one accident, one deficiency, to remind us of how difficult life is without working infrastructure. Effectively moving goods and people within metropolitan centers, throughout the country and around the world requires safe, seamless and modern infrastructure that is efficient, multimodal, dynamic and environmentally sustainable.

Today, shifts in economics, demographics and technology are dramatically changing the nature of transportation and mobility in cities. Local elected leaders are therefore tasked with meeting current needs while also planning for the future needs of their communities. However, a lack of long-term certainty can be crippling to projects that often take many years to move through planning, design, financing and construction. Federal transportation policy requires a new, long-term vision that responds to these changing needs and supports America's global economic leadership.

NLC CALLS ON CONGRESS TO AUTHORIZE A NEW, LONG-TERM FEDERAL SURFACE TRANSPORTATION BILL THAT:

- ▶ Authorizes at least six years of transportation programs and funding;
- ▶ Enables more local control;
- ▶ Supports innovative programs and finance and;
- ▶ Helps fix the Highway Trust Fund.

About the National League of Cities

The National League of Cities (NLC) is the nation's leading advocacy organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. Through its membership and partnerships with state municipal leagues, NLC serves as a resource and advocate for more than 19,000 cities and towns and more than 218 million Americans. NLC's Center for City Solutions and Applied Research provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.



Photo credit: US Department of Transportation, 2012.

J The country has basically been riding on cruise control with our system for quite a while and the highway system was substantially completed in 1992, the expectation was, we've got that done, we're ready to move on to the next thing. The air traffic control system has basically been the same since WWII. Meanwhile, the rate of change in terms of where people are moving, how people are choosing to live more closely into metro areas as opposed to rural areas, which is different than it was 40 years ago, all of these changes are happening, and our system is basically static, and the debates we have about funding are really debates about trying to get to last year's funding.

—U.S. DEPARTMENT OF TRANSPORTATION SECRETARY ANTHONY FOXX

AMERICANS DESERVE A WORLD-CLASS TRANSPORTATION SYSTEM.

The Federal Highway Act, signed into law by President Eisenhower in 1956, transformed our nation. The system connected the far reaches of our country, created jobs and opened new possibilities for economic development. It also fundamentally reshaped American cities. New development patterns were conceived to make room for the vehicles that would propel the economy for decades to come. The highway system was federally planned and coordinated, but it responded to urgent local demands calling for cities and towns to be better connected.

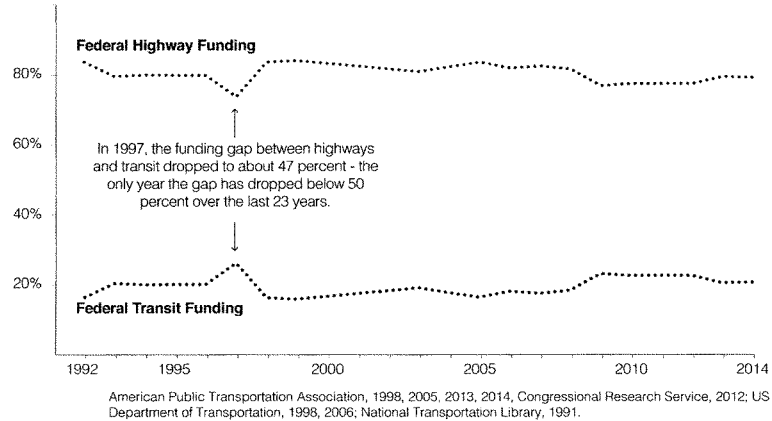
Today, this vision has long since run its course. The original Interstate Highway System of roughly 43,000 miles was completed in 1992 and has since ballooned to include more than 160,000 miles of roadway in the modern National Highway System. Meanwhile, the mobility needs of cities, towns and the citizens who inhabit them are very different. A series of rapid technological advancements are dramatically changing the nature of transportation and mobility in cities. The most urgent demand is for more options to move people within America's resurgent cities, not for more highway miles between them. Federal transportation policy requires a new vision that responds to these changing needs and supports America's global economic leadership.

AMERICA'S MOBILITY DEMANDS ARE RAPIDLY CHANGING

Together with a series of rapid technological advancements, recent demographic trends are changing the nature of transportation and mobility in cities.

Federal Transportation funding is stuck in neutral...

Since 1992, eight out of ten dollars appropriated to transportation funding have gone towards highways. The share of funding going to highways has not dropped below the 73 percent threshold.

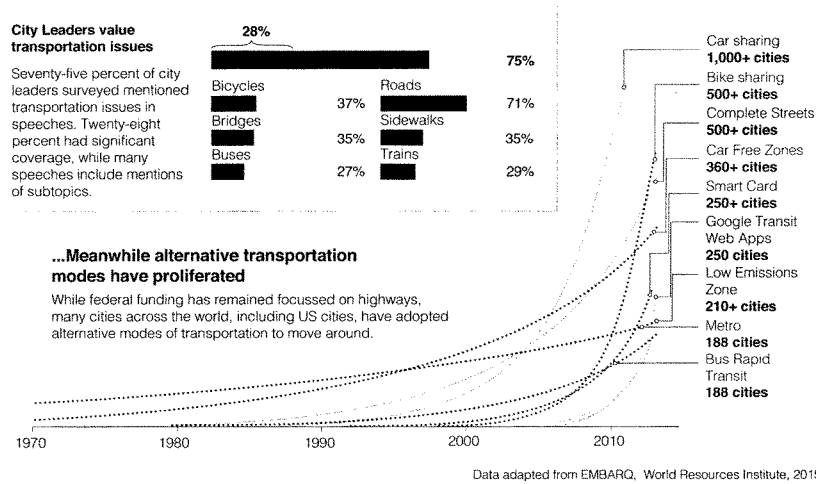


Smartphones have enabled users to access transit information and transportation providers in real-time. The increase in transit information seems to translate directly into consumer demand, as transit agencies have reported growth in ridership in 12 of the last 15 quarters.

Application-based platforms such as Uber, Lyft and Bridj have reinforced these on-demand expectations by offering new services and, at times, competing with more traditional services in 'disruptive' ways. In addition to shaking things up, these new companies have contributed to the growth of the transportation marketplace and the emergence of the 'on-demand economy' or the 'sharing economy.' In a matter of five years, the word "Uber" has morphed from a small start-up company to a verb, rivaling Kleenex and Google as brands that have entered the common lexicon.

Electric cars have also become a much more viable transportation option in the last few years, with almost every major automaker releasing an electric or hybrid model and thus threatening to further erode fuel tax revenue. Autonomous vehicles are also poised to enter the transportation discussion. What started out as excitement over Google's self-driving car experiments catalyzed into a full-fledged automobile trend that will soon become a common alternative for consumers in terms of market availability. Google and Audi are each predicting that their respective autonomous models will be ready for market before 2020.

Just as transportation options are changing, the way citizens prefer to move within and between cities is changing. As mentioned above, local demand for transit is growing dramatically. Currently there are 99 transit expansion projects and 23 major system renovations underway throughout the country, in addition to 35 new projects in the process of securing funding, 10 projects undergoing review through the federal planning process, and 51 projects planned and under review by local authorities. According to a report released by U.S. PIRG and Frontier Group, young people aged 16-34 drove 23 percent fewer miles on average in 2009 than



in 2001. In that same age group, only 67 percent of Americans have driver's licenses. According to the 2009 National Travel Survey, one in 12 U.S. households is completely car free.

Over the last several years, Americans of all demographic groups have embraced new modes of transportation. Active transportation has seen a significant surge in the U.S. From 2000-2012, the number of people who primarily bike to work increased 60 percent nationwide. In larger urban areas, the number of bike commuters more than doubled. Bikeshare systems have become commonplace, with 49 American cities implementing new systems and many more in the planning phases.

NLC's research further demonstrates how these changes are being felt by America's local leaders. It has been well-documented that America's bridges are in poor shape, and that 66,749 of the nation's bridges have been deemed 'structurally deficient' by the American Society of Civil Engineers. But when local elected officials talk about transportation issues in their own community, they are just as likely to discuss the condition of sidewalks and bike infrastructure, and almost as likely to mention buses and other transit projects.

FEDERAL PROGRAMS ARE STUCK IN NEUTRAL

In stark contrast to the changes in technology and preference, federal policy has remained nearly inert.

Program names, legislative titles and eligibility requirements have shuffled over time, but the broader transportation vision is best illustrated by the ways in which Congress chooses to allocate funds – a process that has changed very little over the past 20 years. Roughly 80 percent of all funding has consistently been reserved for the highway system. It is commonly believed that the remaining 20 percent is devoted to transit and other alternative transportation programs – but in reality, this funding is flexible and states often reserve some portion for auto-oriented projects.

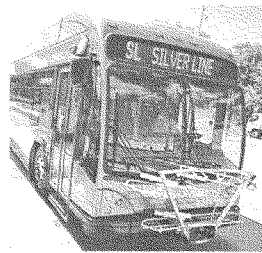
As a result, local transit agencies must accommodate increasing ridership with declining funds. America's public transit infrastructure plays a vital role in our economy, connecting millions of people with jobs, medical facilities, schools, shopping and recreation. This infrastructure is essential to the one-third of Americans who do not drive cars. Due to the rise of urban cores, Americans with access to transit have increased their ridership by 9.1 percent in the past decade, and that upward trend is expected to continue. Although investment in transit has also increased, deficient and deteriorating transit systems cost the U.S. economy \$90 billion in 2010, as many transit agencies are struggling to maintain aging and obsolete fleets and facilities amid an economic downturn that has reduced their funding, forcing service cuts and fare increases. The funding itself is also imperiled under the status quo. The federal fuel tax rate, which supports our nation's Highway Trust Fund, has not been raised since 1993. Meanwhile, reductions in per capita vehicle miles traveled, coupled with increased fuel efficiency standards, have resulted in net revenue losses for the Fund. Currently, the HTF is suffering from a deficit of \$170 billion, and it has been kept afloat with over \$50 billion in transfers from the general fund.

The lack of both a clear vision for the future and secure funding are only compounded by the fact that the existing infrastructure is in poor condition. America's aging and neglected infrastructure received a grade of D+ in the American Society of Civil Engineer's 2013 report card. For example, one in nine of the nation's bridges is rated as structurally deficient, and more than two hundred million trips are taken daily across deficient bridges in the nation's 102 largest metropolitan regions. In total, the average age of the nation's 607,380 bridges is 42 years. Overall, ASCE estimated that \$323 billion in infrastructure investment is needed just to get America's existing roads, bridges and transit up to par. The 'state of good repair' standard set by ASCE may be ambitiously high – but even if we assume that the true cost of modernizing our 21st century transportation infrastructure is half of that which is expected, our funding lags woefully behind.

LOCAL ROLE IN TRANSPORTATION

Metropolitan regions hold the key to our national economic vitality by providing more centralized opportunities for people to live, work, and reinvest their income in goods and services. Effectively moving goods and people within these centers, throughout the country, and around the world requires a safe, seamless and modern infrastructure that is efficient, multimodal, dynamic and environmentally sustainable.

Federal investment in infrastructure through comprehensive and fully-funded transportation bills helps these metropolitan regions, and allows cities to invest in a transportation system that meets current needs while also preparing for the future.



The transit authority of Grand Rapids, Mich., effectively rallied the region around the Interurban Transit Partnership BRT project – known locally as the Silver Line. Mayor Jack Poll of Wyoming, Mich., took pride in announcing this regional engagement as well as ongoing construction of a segment that will connect the southern portion of Wyoming with downtown Grand Rapids. In addition to connecting people to job opportunities, this new transit project has a great deal of potential for spurring economic activity, and developers are beginning to purchase and watch properties along the route. ■



Drive if you want or if you must - but let's not make driving the best or easiest way to get everywhere. I see a future for Salt Lake City around mobility, where 1/3 of the people get around using vehicles, 1/3 of the people get around using transit, and 1/3 of the people either walk or bike. That is a truly balanced transportation system.

– MAYOR RALPH BECKER

However, a lack of long-term certainty can be crippling to projects that often take many years to move through planning, design, financing and construction. It is challenging enough for cities to plan and construct transportation infrastructure when the federal transportation bill only applies to the next two years. Additionally, many states are showing themselves to be out of step with the transportation priorities of cities and towns, creating uncertainty and rejecting federal support for local projects.

CITIES CALL ON FEDERAL LEADERS TO MOVE AMERICA FORWARD

The National League of Cities urges Congress to authorize a new, long-term federal surface transportation program that recognizes the central role of transportation in metropolitan and regional economies and includes local voices in planning and project selection.

With a strong federal partnership, cities can continue transportation and infrastructure investments that ensure everyone in our communities has access to education, training and employment – and thus the opportunity to contribute effectively to the national economy. The overall transportation system must be made more efficient as well, with upgrades to older systems and the addition of new modes such as light rail and bus rapid transit. Finally, the program must provide cities a greater role in the decision-making process regarding transportation projects, so that metropolitan regions may receive the recognition they deserve as essential components of the nation's economic wellbeing.

NLC CALLS ON CONGRESS TO AUTHORIZE A NEW, LONG-TERM FEDERAL SURFACE TRANSPORTATION BILL THAT:

- ▶ Authorizes at least six years of transportation programs and funding;
- ▶ Enables more local control;
- ▶ Supports innovative programs and finance and;
- ▶ Helps fix the Highway Trust Fund.

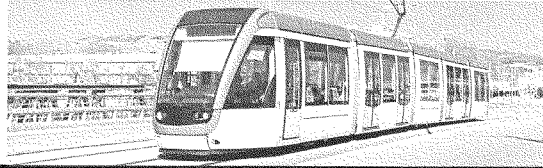
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Go Local: Invest in Local Transportation Priorities

NLC calls on Congress to authorize a new, long-term federal surface transportation bill that:

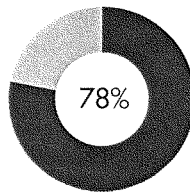
- Authorizes at least six years of transportation programs and funding,
- Enables more local control,
- Supports innovative programs and finance and
- Helps fix the Highway Trust Fund.

Local governments own and operate 78 percent of the nation's road miles, 43 percent of the nation's federal-aid highway miles, and 50 percent of the nation's bridge inventory. Local elected officials should have the authority to direct available transportation resources to projects serving their communities and regions.

However, local governments and their metropolitan and regional planning organizations directly receive less than 15 percent of current federal transportation funding. The last major transportation bill, the Moving Ahead for Progress in the 21st Century Act (MAP-21), consolidated programs important to local governments, reduced funding available for locally owned highways and bridges by 30 percent, and eliminated almost all discretionary programs for transit.

Congress can fix this imbalance. A new transportation bill should directly allocate greater funding to cities and metropolitan organizations and provide more flexibility to choose the best mix of transportation options to fit regional needs.

Percentage of US Road Miles Owned by Local Governments



Source: U.S. Department of Transportation

Cities and towns are embracing innovation to create new opportunities for struggling commercial districts and neighborhoods in distress. Programs like the Transportation Alternatives Program (TAP) and Transportation Infrastructure Finance and Innovation Act (TIFIA) financing are tools that enable innovation.

A new transportation bill must be long-term. Crisis-driven legislation and short-term extensions create insurmountable obstacles for transportation and infrastructure projects. The next bill should authorize transportation programs and funding for at least six years to restore certainty and stability to the transportation planning process at the local and regional level.

Finally, the next transportation bill should be built on a stable foundation. The Highway Trust Fund, which finances the majority of transportation programs, has been unable to maintain sufficient revenue to support the nation's transportation needs. It is time for Congress to find a long-term solution that may, among other means, include an increase in the federal gasoline tax.

For more information, visit www.nlc.org/transportation or contact Mike Wallace at 202.626.3025 or wallace@nlc.org.

AMERICAN ASSOCIATION
OF STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO

TESTIMONY OF

The Honorable John Cox
President, American Association of State Highway and
Transportation Officials;
Director, Wyoming Department of Transportation

REGARDING

**Surface Transportation Reauthorization Bill:
Laying the Foundation for U.S. Economic
Growth and Job Creation, Part II**

BEFORE THE

**Committee on Transportation and Infrastructure
of the United States House of Representatives**

ON

Tuesday, March 17, 2015

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INTRODUCTION

Chairman Shuster, Ranking Member DeFazio, and Members of the Committee, thank you for the opportunity to provide input on the need to reauthorize, fund, and improve highway, transit, and highway safety programs. My name is John Cox, and I serve as President of the American Association of State Highway and Transportation Officials (AASHTO), and as Director of the Wyoming Department of Transportation (WYDOT). Today it is my honor to testify on behalf of the State of Wyoming and AASHTO, which represents the State departments of transportation (State DOTs) of all 50 States, Washington, D.C., and Puerto Rico.

I have been fortunate enough to serve as Director of the Wyoming Department of Transportation for over ten years. And in my role as AASHTO President, I lead the Association's primary goal of fostering the development, operation, and maintenance of a safe, efficient, and integrated national transportation system. Before WYDOT, I served 28 years in law enforcement, most recently as commanding officer of the Wyoming Highway Patrol from 1998 to 2005.

My main message this morning is to urge prompt action on a well-funded, long term surface transportation bill that clearly reflects and serves the national interest. Our country needs a Federal transportation program providing robust investment levels coupled with long-term funding stability. Furthermore, the program should provide States with flexibility by not diminishing the percentage of funds distributed by formula and by streamlining regulations and program requirements. Enacting this well-funded, long-term Federal program with flexibility for States is absolutely critical if we are to address significant transportation challenges, and, thereby, strengthen the United States and its economy.

My testimony today will emphasize three main points:

- The urgent need for a long-term surface transportation bill;
- The importance of the Federal-State partnership in funding transportation infrastructure; and,
- Policy changes that build on the successes of MAP-21.

THE URGENT NEED FOR A LONG-TERM SURFACE TRANSPORTATION BILL

Throughout the history of our country, transportation has played an integral role in the success of our economy. While States have done an admirable job of addressing transportation within their boundaries, there is clearly a need for a cohesive national transportation system. In Wyoming, for instance, Interstate 80 runs east and west across the southern portion of the State for 401 miles and reaches 8,640 feet in elevation. More than half the traffic on this route is from trucks. These trucks, over three-quarters of which are in transit through Wyoming between the Midwest markets and the West Coast ports, carry all manner of goods from agricultural commodities to raw materials and manufactured goods. This traffic, which contributes greatly to national commerce, would not be possible without an effective interstate transportation system.

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Director, Wyoming Department of Transportation

And, in addition to I-80 in Wyoming, there are tens of thousands of interstate and other highways in this county that serve truck and passenger traffic on roads in a given State, but which do not originate or terminate in that State. Your State, Mr. Chairman, came to be known as the “Keystone State” for just such reasons.

Yet, on May 31, 2015, the authorization for the Federal highway, transit, and highway safety programs will expire, and a short time later the Highway Trust Fund (HTF) will not have sufficient cash balances to reimburse State DOTs and local transit agencies for costs already incurred on highway and transit projects.

Over the past six years, Congress has had to pass 11 short-term extensions and transfer more than \$60 billion from the General Fund into the Highway Trust Fund to keep it solvent. The negative impact of these short-term extensions and the near-constant threat of Highway Trust Fund insolvency cannot be overstated.

While we as a transportation industry do everything in our power to build our projects as fast as possible, many of them take several years to complete. The lack of a long-term surface transportation bill that provides a predictable stream of Federal funding makes it nearly impossible for State DOTs to plan for large projects that need funding over multiple years. Major transportation projects in several States are sitting on the shelves or have been delayed due to the unpredictability of Federal funding. Such delays have serious economic consequences both in the short- and long-term. These projects employ thousands of companies and hundreds of thousands of workers every year. Once completed, they help stimulate economic growth in every community where they are built.

In my own State, we have completed construction on the Togwotee Trail, one of the main routes to access Grand Teton and Yellowstone National parks for millions of visitors each year. This project took several years to complete and without the predictability of a long-term surface transportation bill, critical multi-phase, multi-year projects like this, as well as other kinds of projects, may not move forward.

The current surface transportation authorization will expire in the middle of the spring construction season, and already several State DOTs are pulling back on needed projects that are scheduled to go out for bid. Tennessee announced they will delay \$400 million in highway and bridge projects this year due to the uncertainty of Federal funding, and Arkansas followed with an announcement that they will delay three projects totaling more than \$30 million that were planned for bid in late January.

Like other cold-weather States, the winter season in Wyoming can greatly limit our timing in building our critical projects. We work diligently to advertise projects at the right time in order to get the most competitive bids and to build them as quickly as possible. This approach minimizes the impacts to the traveling public and our business community. It empowers us to get the best value for the public’s investment. With the uncertainty of when—or even if—Congress will authorize the rest of the 2015 program, Wyoming and other cold-weather States may miss this construction year for a full third of our programs. We have already delayed 18 projects worth some \$28.5 million. It will also force us to advertise projects late in the

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construction season, resulting in less competitive bidding, less value for the public's investment, and the potential for delaying important and needed projects that will improve communities and their economies.

Last year AASHTO worked with State DOTs across the country to build a tool at <http://invest.transportation.org> that showed the impacts of Congress' failure to enact a long-term surface transportation bill. In addition to identifying national impacts, this tool allowed State DOTs to identify specific projects that were at risk if Congress did not ensure the solvency of the HTF. Twenty-eight States identified specific projects that would not go forward if the HTF were allowed to go broke; and in any event, all States will face serious difficulties without a long-term Federal authorization. To further narrate this important message, AASHTO recently released a new version of this infographic that continues to identify specific projects that are at risk if Congress fails to act.

Nationwide, State DOTs rely on the Federal highway program for nearly half of what they spend on highway and bridge projects. Last year the Federal highway program apportioned nearly \$40 billion to State DOTs for road and bridge projects across the country. It is important to note that Federal dollars are not provided to States upfront; rather, this is a program based on reimbursement. States only receive funding from the Federal Highway Administration (FHWA) when work is completed on a project and the State submits a request for reimbursement. States typically receive reimbursements electronically from FHWA the same day payments to the contractor are made.

If Congress is unable to pass a surface transportation bill by the end of May or if the Highway Trust Fund is allowed to fall below \$4 billion, FHWA will change how quickly they reimburse State DOTs for work already completed. Rather than reimbursing States as soon as the reimbursement request is submitted, FHWA may delay reimbursements or make partial reimbursement subject to available cash in the Trust Fund. States count on prompt payment from the Federal government to be able to manage cash flow and pay contractors for work they have already completed.

Any delay in reimbursement from FHWA will jeopardize the ability of States to pay contractors in a timely manner. In turn, contractors rely on prompt payment from the State to be able to pay their employees and suppliers. Disruptions to this process have the potential to send unwelcome shockwaves throughout the transportation community—contractors will refrain from purchasing new equipment, for example. Other industries indirectly supported by infrastructure investment will also experience adverse impacts. Of particular concern should be the countless number of small businesses that perform work on our nation's highways, as they often don't have the flexibility to wait for additional days or weeks for payment on the work they have already completed on a project.

**IMPORTANCE OF THE FEDERAL-STATE PARTNERSHIP IN FUNDING
TRANSPORTATION INFRASTRUCTURE**

Going back to the founding days of the Nation, Article I, Section 8 of the United States Constitution notes that it is a duty of the Federal government to provide support for national transportation investment. Through the development of post roads, canals, railroads, and highways with strong Federal support throughout history, transportation investment has an outstanding track record of creating jobs and supporting economic development throughout the country.

The case for a strong Federal-role in transportation investment is evident in our Nation's interconnected network of roads and bridges. For nearly 100 years, the Federal government and State DOTs have worked together to build and maintain our Nation's highway system. The Federal-Aid Road Act of 1916 established this fundamental framework of a Federally-funded, State-administered Federal-Aid highway program, best suited to a growing and geographically diverse nation like ours. Today about \$40 billion is distributed through this Federal program to State DOTs to fund a wide range of projects that are clearly in the interest of the nation as a whole. These projects are the backbone of our country's mobility and support interstate travel and commerce, helping people get to and from work, and helping goods get access to a larger market than ever before. Furthermore, a strong Federal role ensures the safety of the nation's transportation network.

State DOTs play a critical role in ensuring that we have a safe, reliable, and efficient transportation network. In fact, in 2013, my governor—Governor Matt Mead—sought to establish a sustainable State funding base for transportation projects by signing a ten-cent increase in the State motor fuels tax that was passed by Wyoming's House and Senate. Supported by business organizations and civic groups like the Wyoming Taxpayers Association, this action has allowed us to raise \$70 million in additional resources per year to invest in our State's transportation infrastructure assets. Approximately two-thirds of this additional funding will be put to work on the State highway system, with the rest going directly to local governments. That being said, States like Wyoming are only able to play this role through a robust partnership with the Federal government, because without the strong Federal support, Wyoming's enhanced investment package will fall apart much more quickly than the time it took us to put it together. Dozens of other States have joined Wyoming in successfully adopting legislation that increases revenue for transportation investment. But it is important to note that when States take action to increase revenue for transportation, they do so expecting to **supplement** the Federal program ... not as a **substitute** for the Federal program. Indeed, it is this century-old Federal-State partnership that has enabled America to build a transportation system envied by the rest of the world. If one of those partners does not hold up their end of the bargain, this system will fail.

The Federal surface transportation programs also provide substantial support for public transportation and AASHTO supports the current highway-transit funding balance. A large portion of transit funding is directly apportioned or allocated to transit agencies, not through state governments. But States are also actively involved in assisting transit service, particularly in rural areas and for seniors and special needs individuals. State DOT also work closely with local transit agencies to spend ("flex") an average of \$1 billion a year in Federal highway

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funding on transit projects.

While the Federal-State partnership is the foundation of our Federal highway program, State DOTs also have strong partnerships with local governments in their respective States. The transportation planning process as strengthened under the Intermodal Surface Transportation Efficiency Act of 1991 requires State DOTs to work extensively with local planning agencies and the public in developing multimodal transportation plans and identifying projects that are supported by the Highway Trust Fund.

MAP-21 contained several provisions that further enhanced the role of local government in the transportation planning process, including an increase in Federal funding that is suballocated for projects in different parts of the State based on population. In many cases, this suballocated funding is dedicated to local projects identified solely by local planning agencies. In FY 2014, close to \$5 billion in Federal highway funding was suballocated, which represented a nearly five percent increase in the amount of funding suballocated annually compared to prior surface transportation bills.

Furthermore, MAP-21 introduced the development and implementation of a performance-based transportation program where State DOTs will be required to set and meet targets based on the current program structure. As such, selection of federally-funded projects should not be done by local governments alone if State DOTs are to be able to meet the transportation system-wide performance targets.

Any effort to disrupt the Federally-funded, State-administered structure of the Federal-Aid highway program that has served our nation with great success could undermine the very foundation of a strong Federal role in transportation investment. It is this program framework that built the Interstate Highway System and the National Highway System—the backbone of our national network of roads and bridges that drive our national economy.

Rather than drastically altering the Federally-funded, State-administered nature of the Federal-Aid Highway Program and facing consequences of such disruption, we are prepared to work with Congress to highlight best practices where State DOTs have strong, productive collaborations with local governments and where the transportation planning process is working well. States strongly believe in, and will continue to, consult closely with our important partners in regional and local governments.

POLICY CHANGES THAT BUILD ON THE SUCCESSES OF MAP-21

MAP-21 was one of the most significant pieces of Federal transportation legislation because it instituted major programmatic and policy reforms. AASHTO supports these changes and applauds this Committee for its leadership in advancing those critical modernizations to the Federal-Aid highway and transit programs. However, several of these reforms have yet to be implemented by the United States Department of Transportation (U.S. DOT), and it is for this reason that we think this bill should build on the successes of MAP-21 rather than make another round of major programmatic changes.

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First, Congress should continue to ensure that U.S. DOT is implementing the provisions in MAP-21 in a way that is consistent with Congressional intent. U.S. DOT is in the middle of more than a dozen MAP-21 rulemakings, and Congressional oversight of these rulemakings should ensure that the end product is consistent with what members of Congress intended when they wrote the legislation two and a half years ago.

Congress should also resist efforts to change or establish any additional national-level performance measures beyond those in current law. U.S. DOT has yet to issue final guidance on all the performance measures in current law, and State DOTs will need at least five years to fully implement the performance-based planning and management policies in MAP-21 once they are finalized. In addition, when looking at our peer nations abroad, fewer, high-level measures are generally acknowledged as more effective in moving the transportation vision toward accomplishing the goals of the national or regional governments.

Furthermore, we need to be judicious when it comes to developing and implementing Federal regulations. Currently proposed rules, if adopted, would impose new requirements, resulting in increasing data collection, planning, and administrative costs at a time when construction inflation takes away a share of the flat-lined Federal funding level. For example, one proposed rule would have States expend scarce dollars collecting multiple data items for all public roads, including gravel and dirt roads. Frankly, dollars would be much better used on road and bridge projects than collecting data on unpaved and low volume roads.

We need to strive towards reducing administrative burdens and maximizing actual transportation outcomes and services from the Federal program dollars.

State DOTs also ask to be afforded the opportunity to continue improving the project delivery process. Both California and Texas are participating in the National Environmental Policy Act (NEPA) delegation program established in MAP-21. In addition, Utah and Alaska have assumed assignment of Categorical Exclusion documents with great success. Several other States are also interested in participating in these efforts in the future. One specific change that will make this program more attractive is to clarify that States may assume U.S. DOT's responsibility for making project-level transportation conformity determinations under the Clean Air Act. State DOTs are also interested in assuming additional responsibilities currently held by U.S. DOT including the ability to approve designs and acquisition of real estate and rights-of-way. Congress could also consider further expediting project delivery by more clearly allowing the adoption of planning decisions in the NEPA process and allowing any U.S. DOT modal administration to use a categorical exclusion determined by another modal administration.

To build on the current flexibility in the Federal-Aid Highway program, Congress should consider authorizing a "Consolidated Funding" pilot program. This pilot program would build on the program consolidation efforts made in MAP-21 by treating all core funding provided to a State under the National Highway Performance Program, Surface Transportation Program, and Highway Safety Improvement Program as a single, consolidated apportionment. States would only be eligible to participate in the program once they had an established performance management system that demonstrates a system of metrics and performance measures that assist and guide the State in the decision-making process to Federal program funding received through the pilot program.

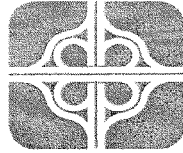
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Finally, Congress should modify the language in MAP-21 that established the Primary Freight Network (PFN). Given their innate understanding of a State's overall transportation network, State DOTs request for the ability to designate or include additional segments to the PFN beyond the current mileage cap of 27,000 centerline miles. As part of this framework, Congress should also consider implementing a corridor-based approach to the PFN that incorporates multiple highway facilities.

CONCLUSION

We cannot address our nation's 21st century surface transportation investment needs without reaffirming the strong Federal-State partnership that is the bedrock of the national transportation program from the very beginning. AASHTO remains committed to helping Congress pass a robust, long-term surface transportation reauthorization prior to the expiration of the current MAP-21 extension in May.

I want to thank you again for the opportunity to testify today, and I am happy to respond to any questions that you may have.



**NORTH METRO
CROSSING COALITION**

12800 Arbor Lakes Parkway
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763-494-6001

**Statement for the Record by
Mark Steffenson, Mayor – City of Maple Grove, Minnesota
and
Jeffrey Lunde, Mayor – City of Brooklyn Park, Minnesota
on behalf the North Metro Crossing Coalition**

**Before the U.S. House of Representatives
Committee on Transportation and Infrastructure**

**Hearing on “Surface Transportation Reauthorization Bill: Laying the Foundation for U.S.
Economic Growth and Job Creation Part II”**

March 17, 2015

Chairman Shuster, Ranking Member DeFazio, and Members of the Committee. We are Mayors Mark Steffenson and Jeffrey Lunde of the North Metro Crossing Coalition. Our Coalition is comprised of a number of cities and counties in the metropolitan Twin Cities area, with a collective goal of completing construction on the Highway 610 project, together with complimentary local roadways linking them to I-94. The need for this corridor, first identified in the 1960s to address the connectivity of our rapidly growing suburbs, is clearer than ever before. By 2040, our regional area is expected to grow by 150,000 people and complimented by as many jobs. Completing this crucial segment would not only spur economic growth and job creation by giving our bustling suburbs convenient access to the interstate, it would also help address the serious safety issues we currently experience with far too many vehicles trying to make due with inadequate existing infrastructure.

While we appreciate and support everything you are doing to craft a robust bill that will generate expanded economic growth and job opportunities across the country, we want to urge you to take into consideration the safety concerns that come along with rapid growth. Within our cities, our

residents travel antiquated facilities lacking in adequate capacity or non-existent connections causing unsafe conditions on local streets and at many intersections.

In 2013, Minnesota suffered 387 traffic fatalities, with one in three attributed to interchanges and intersections. Nationwide, out of the 33,561 fatalities documented in NHTSA's "Traffic Safety Facts—2012," 12,449 occurred at or were related to interchanges/intersections – a rate of 37%. Despite that, the Federal Highway program has never had a category of funding targeted to interchanges and intersections.

The proposal we support is simple and straightforward: firstly we request reauthorization of MAP-21; and secondly, that \$250 million per year be set aside within the Highway Safety Improvement Program (HSIP) to address safety at interchanges and intersections across the country. For this "National Interchange/Intersection Safety Construction Program," the proposal provides that no state shall receive more than 5% or less than 1% of the authorized funding in any one federal fiscal year. Projects eligible for funding under the HSIP should be consistent with required State and regional transportation plans and is located or will be located on an interchange of the interstate highway system or an intersection of the federal aid highway system.

The proposal provides that both Congress and the Administration have a hand in developing and implementing a fair and balanced project selection process, and that ultimately Congress would have to approve each fiscal year the projects selected for funding by the Department of Transportation. We feel that this proposal would accurately target each state's most critical interchanges and intersections, in an equitable and efficient manner, and go a long way towards reducing the number of fatalities on our nation's roadways.

We appreciate your consideration of this proposal to address a critical safety issue at intersections and interchanges which are the most dangerous and deadly roadway segments. We would be happy to provide further details and to respond to any questions you might have regarding this proposal as this vital legislation advances.



NATIONAL CONGRESS OF AMERICAN INDIANS

March 26, 2015

House Committee on Transportation and Infrastructure
U.S. House of Representatives

March 17th Hearing on “Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth and Job Creation Part II”

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Kiowa Tribe

SOUTHWEST
Manuel Heart
Ute Mountain Ute Tribe

WESTERN
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On behalf of the National Congress of American Indians (NCAI), thank you to the opportunity to provide testimony for the record regarding the surface transportation reauthorization and its impact on tribal governments. NCAI is the oldest and largest national tribal organization in the United States that is dedicated to protecting the rights of tribal governments to achieve self-determination and self-sufficiency. NCAI applauds on the House Committee on Transportation and Infrastructure for holding this oversight hearing on the reauthorization of the surface transportation bill, U.S. economies, and job growth. NCAI looks forward to working with members of this Committee as you continue your work to ensure the next reauthorization of a transportation bill.

Like states, counties, urban and rural areas, tribal government are reliant on our Nation's multimode transportation system. The enhancement of transportation infrastructure is vital to tribal economies and providing safe and adequate transportation infrastructure is essential to tribal governments and surrounding communities. Like state and local governments, tribal governments use their revenues to deliver essential services to their citizens. However, tribal governments are not commonly in a position to levy property or income taxes because of the unique nature of land tenure in Indian Country, delicate economies, and jurisdictional restraints. Indian tribes receive some funding for road construction from the federal Highway Trust Fund, but the amount given to tribes is much less than what states receive. Currently, TTP make up nearly three percent of federal roadways, but they receive less than 0.5 percent of total federal highway funding.¹ At the current funding levels, the TPP program receives only about half the amount per road mile that states receive. Most of income from tribal businesses is the primary non-federal revenue source for most tribes, nonetheless, sales and excise taxes are becoming an increasingly important source of revenue for tribal governments.

As dependent tribal economies on transportation infrastructure system, there are still challenges of rampant unemployment in Indian Country. According to the Census Bureau, it has reported that the unemployment rate for the Indian workforce in federal reservation areas is 22.6%, close to two-and-a-half times that for all workers nationally, compared to the current U.S. employment rate at 5.60%. Boosting job opportunities on tribal lands are an integral part of tribal governments' plans to enhance tribal economies.

¹ U.S. Dept. of Transportation, Federal Highway Administration, TEA-21, A Summary (1998).

In order for tribal governments to develop and strengthen their economic development, the one necessary component tribes need is transportation infrastructure. Tribal transportation programs are critical to ensuring that tribal governments can provide for the economic and social well-being of their tribal members and members of the surrounding communities. Transportation infrastructure includes many modes such as roads, bridges, ferries, trails, air, and transit. These modes need to be adequate, well-maintain and safe because these modes are what Indian children rely on to get to school; what all tribal members and surrounding non-tribal communities need to get from one place to the next; emergency and law enforcement personnel to be respond to emergency situations; and for businesses on tribal lands to bring and sell goods.

Tribal Transportation Program:

The latest National Tribal Transportation Facility Inventory (NTTFI) indicates there are approximately 160,000 miles of roads and trails in Indian Country owned and maintained by the Bureau of Indian Affairs (BIA), tribes, states and counties. Of those, Indian tribes own and maintain 13,650 miles of roads and trails, of which only 1,000 (or 7.3%) are paved—12,650 miles are gravel, earth, or primitive. These 12,650 miles of roadways are still among the most underdeveloped and unsafe road networks in the nation, even though they are the primary means of access to American Indian and Alaska Native communities by tribal and non-Indian residents and visitors alike. Of the 29,400 miles owned and maintained by the BIA, 75% of them are graveled, earth, or primitive.

Unfortunately, safety issues continue to be one of the biggest challenges for Indian tribes because many tribal communities are made vulnerable by unsafe and often inaccessible roads, bridges, and ferries. According to the Federal Highway Administration, “American Indians have the highest rates of pedestrian injury and death per capita of any racial or ethnic group in the United States.” Over the past 25 years, 5,962 fatal motor vehicle crashes occurred on Indian reservation roads, with 7,093 lives lost. While the number of fatal crashes in the nation declined 2.2 percent during this time period, the number of fatal motor vehicle crashes per year on Indian reservations increased 52.5 percent. Adult motor vehicle-related death rates for American Indians/Alaska Natives are more than twice that of the general population. These statistics are alarming and call for major changes in Federal transportation safety programs serving Indian Country.

The current authorization, Moving Ahead for Progress in the 21st Century (MAP-21) restructured the transportation programs for Indian tribal governments by establishing and consolidating the Tribal Transportation Program (TTP) (formerly the Indian Reservation Programs), eliminating the separately funded TPP Bridge Program and Tribal High Priority Project Program (THPP) and creating discretionary grants within the TTP for tribal bridges and highway safety programs and projects. MAP-21 changed the regulatory funding formula for allocating TTP “tribal shares” for transportation construction that the BIA and FHWA must phase in over a number of years. NCAI would like the Congress to support and enhance funding for the Tribal Transportation Program so that tribes are able to provide the safe and acceptable transportation system in Indian Country.

Tribal High Priority Project Program:

The THPP is a critical program that provides funding to tribes impacted by emergency conditions that require road or bridge replacement so funding can be accessed quickly. Also, the THPP fund

enables tribes who received insufficient funding to complete the highest priority project on the tribe's inventory to compete for grants of up to \$1,000,000, so they can construct those projects. The elimination of this program has had a significant impact on many tribes who are unable to embark imperative construction projects because their annual tribal shares represent only a small fraction of the total project construction cost. As noted, MAP-21 removed funding stream of the THPP from the Highway Trust Fund and placed it into the U.S. Treasury General Fund, and was authorized for \$30 million. Since the enactment of MAP-21, THPP has not been appropriated. NCAI requests Congress restore this vital program to assist tribes who would be unable to construct transportation project without the assistance of the THPP in the Highway Trust Fund.

Tribal Transportation Self-Governance Program:

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, enabled tribal governments to decide if BIA or Federal Highway Administration (FHWA) would administration of their TTP program. Under 23 U.S.C. 202(a), the Secretary of Transportation was authorized to enter into "agreements" with tribal government to carry out a highway, road, bridge, parkway, or transit program or projects. This enables tribes to directly work with the FHWA in the administration of their TTP program. The BIA can also enter into an agreement with a Tribal government to carry out their transportation program.

Last month, H.R. 1068, Tribal Transportation Self-Governance Act of 2015 was introduced by Congressman Peter DeFazio, this legislation would create and expand the Tribal Self-Governance Programs within all of U.S. Department of Transportation (DOT). Currently, there are 128 Indian tribes who have entered into an agreement with FHWA, these agreements are critically important to participating tribes who able to efficiently construct their transportation programs within a timely manner especially for the tribes who have a very short construction season. NCAI supports this creation and expansion of tribal transportation self-governance within DOT.

Public Transportation on Indian Reservation Section 5311 (c):

Public transportation is important to economic growth in Indian Country. Many tribes operate a transit service which has become a lifeline for those who ride public transportation because it offers access to employment, health, education and commerce for tribal member and non-tribal members. As mentioned earlier high unemployment has been a continuous challenge for tribes. Currently, the unemployment rate for on-reservation Indians is 22.6% while for Alaska Native villages it is 25.1%.² In addition, 15% of tribal members have to travel over 100 miles to access basic services such as a bank or ATM³. The combination of high unemployment and the far distance to travel to access basic services resulted in increased ridership and continued need for public transportation in Indian Country and surrounding non-Indian rural communities. MAP-21 revamped the Section 5311(c) Public Transportation on Indian Reservations Program (Tribal Transit Program) administered by the Federal Transit Administration, by establishing a statutory formula for allocating transit funds among eligible Indian tribes, and increased funding. NCAI request Congress to continue to support and fund this program.

² U.S. Census, 2005-2009 American Community Survey 5-Year Estimates

³ U.S. Department of Treasury Community Development Financial Institutions Fund, *Native American Lending Study*, page 22, (2001)
http://www.cdfifund.gov/what_we_do/nacfd/lending_study.asp

Bureau of Indian Affairs Maintenance:

Even though the majority of tribal transportation programs are authorized and funded through the Department of Transportation, there is one other transportation program that is critical for tribes; the Bureau of Indian Affairs (BIA) Road Maintenance program within the Department of Interior. BIA implements, funds, and is responsible for maintaining 29,400 miles of roads in Indian Country including 900 bridges. NCAI is concerned that the funding for the BIA Road Maintenance has remained steadily for several fiscal year cycles and funded approximately \$24 million. This stationary funding level has compromised highway safety in Indian Country, dramatically shortening the useful life of the BIA System and tribal roads and bridges, and undermining tribal economic development initiatives in Indian Country. For FY 2014, deferred maintenance for BIA roads is approximately \$289 million and increasing. These staggering amounts of deferred maintenance on BIA roads directly impacts tribes, and a high cost that Indian Country cannot afford to divert their scarce resources to transportation infrastructure that is BIA's responsibility. The Bureau of Indian Affairs is trustee who needs to be providing enough funding to address the ever growing deferred maintenance for BIA roads.

In conclusion, NCAI is committed to strengthening and enhancing upon the success of current and past transportation authorizations, because transportation infrastructure is fundamental to the enrichment of tribal governments and for safety of their communities and visitors who utilize transportation facilities in Indian Country.



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RHONDA SIVARAJAH
Chair, District #6

**Testimony of Rhonda Sivarajah, Chair
Board of County Commissioners – Anoka County, Minnesota**

**Before the U.S. House of Representatives
Committee on Transportation and Infrastructure**

**Hearing on “Surface Transportation Reauthorization Bill: Laying the
Foundation for U.S. Economic Growth and Job Creation Part II”**

March 17, 2015

Good morning Chairman Shuster, Ranking Member DeFazio, and Members of the Committee. My name is Rhonda Sivarajah and I serve as Chair of the Anoka County, Minnesota Board of County Commissioners. Anoka County sincerely appreciates and fully supports your determination to enact a multi-year bill. A large number of projects in Anoka County and across the country are at risk because of the uncertainty of funding. We need a long-term, dedicated source of funding to plan and construct critical infrastructure projects and to stimulate economic growth and job creation.

As a local elected official, however, all that economic growth and job creation potential means nothing if my citizens continue to lose their lives on our roadways. Our first responders should not have to worry about congestion issues impacting their ability to get to the scene in time to save lives. In addition, many tell me that they are sick and tired of having to respond to traffic incidents at the same locations time after time due to unsafe, outdated infrastructure. That is why, in coordination with a number of other local elected officials from several different jurisdictions across the U.S., we have developed a proposal that targets safety at the most critical areas.

When we looked into our county’s statistics on traffic fatalities, we learned that an alarming percentage were attributed to factors involving interchanges and intersections. In 2013, my county suffered 12 traffic fatalities, with over half of those being interchange and/or intersection related. Looking further out, Minnesota as a whole suffered 387 traffic fatalities that same year, with one in three attributed to

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interchanges and intersections. Nationwide, out of the 33,561 fatalities documented in NHTSA's "Traffic Safety Facts—2012," 12,449 occurred at or were related to interchanges/intersections – a rate of 37%. Unfortunately, however, we came to learn that over the life of the Federal Highway program there has not been a category of funding targeted to interchanges and intersections, even though national and state traffic safety data specifically points out the problem.

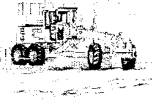
Our proposal is simple: we request that in the reauthorization of MAP-21, \$250 million per year be set aside within the Highway Safety Improvement Program (HSIP) to address safety at interchanges and intersections across the country. For this "National Interchange/Intersection Safety Construction Program," we propose that no state shall receive more than 5% or less than 1% of the authorized funding in any one federal fiscal year. We further propose a set of eligibility criteria that include the following:

The project -

- 1) is included in the State Transportation Improvement Plan (STIP);
- 2) is included in the local Transportation Improvement Plan (TIP);
- 3) is eligible for funding under Title 23 of the Federal Aid Highway Act;
- 4) has an average daily traffic count of at least 50,000 vehicles per day;
- 5) is located or will be located on an interchange of the interstate highway system or on an intersection of the federal aid highway system.

We propose that both Congress and the Administration have a hand in developing and implementing a fair and balanced project selection process, and that ultimately Congress would have to approve each fiscal year the projects selected for funding by the Department of Transportation. We feel that this proposal would accurately target each state's most critical interchanges and intersections, in an equitable and efficient manner, and go a long way towards reducing the number of fatalities on our nation's roadways.

As you work on developing a comprehensive, multi-year surface transportation reauthorization bill, I hope you will continue to place safety as a top priority, and that you will consider implementing our proposal aimed at addressing safety at the most dangerous and deadly roadway segments – intersections and interchanges. I would be happy to provide further details and to respond to any questions you might have regarding this proposal, and I look forward to working with the Committee as this important legislation moves forward.

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SPIRIT LAKE NATION**Tribal Transportation Program (TTP) Road Funding Needs**

Updated February 10, 2015

At the Spirit Lake Nation's current TTP funding level of just under \$1 million per year, it takes nearly all of our construction funds just to perform maintenance activities on our roadways. We have approximately 54 miles of paved roads and have no way to fund future overlays or reconstruction. We have to save up for two years just to complete a patching and chip seal project on one third of our paved miles.

With our current yearly allocation, with no changes in funding levels, and no adjustments for inflation and rising construction costs, we have approximately \$130,000 available each year for construction. A three-quarter inch mill and two inch overlay project, using warm mix asphalt and recycled asphalt pavement (to reduce the bid prices as much as possible, while conserving valuable resources), costs approximately \$175,000 per mile. At current prices, it would take us 73 years just to complete maintenance overlays on our existing roadway network, which need to be done at least every 20 years. As you can see, this is a losing battle at our current funding level.

The most recent overlay on our paved roads was done in 1999, over 15 years ago. We are only 5 years away from needing another hot bituminous pavement overlay. To maintain sustainability of our current system, we would need to mill and overlay in 2019. To accumulate the \$9,450,000 required to achieve this goal, we need another \$1,890,000 per year for the next five years. In another 20 years (2039), a full reconstruction will likely be necessary. In today's dollars, this work would cost \$500,000 per mile, or \$27,000,000. To meet that need, an additional \$1,350,000 per year is needed in years 6-25.

We are in need of approximately 2.5 to 3 times what we currently receive in TTP funds to ensure continued service to our people and the surrounding areas. We share our roadway networks with thousands of people, both from within and outside our boundaries. Future step increases are also need to allow for inflation and for ever-increasing costs of construction.

The work done by the Tribal Transportation Unity Caucus (TTUC) is a necessary step in the right direction. Many of the provisions of the proposed legislation come at no additional cost. They simply provide needed access to funding mechanisms already in law. The provisions that do increase costs are requested simply to meet our existing needs.

This is not a complete solution to funding needs of the future, with our increasing population and traffic counts already over 2,000 vehicles per day on some of the roadways we maintain. We are not asking for the world, only what we need to make ends meet today.

Consider the needs of the people of the Spirit Lake Nation when you review the proposed Tribal Transportation Unity Act. Realize what a real impact it could have on maintaining the existence of our existing transportation networks, which serve thousands of people, both from outside and within the Spirit Lake Nation.