# STATEMENT OF
# THE HONORABLE NORMAN Y. MINETA
# SECRETARY OF TRANSPORTATION

## BEFORE THE

## COMMITTEE ON APPROPRIATIONS
## SUBCOMMITTEE ON TRANSPORTATION, TREASURY, AND GENERAL GOVERNMENT
## U.S. SENATE

## May 8, 2003

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Administration's fiscal year 2004 budget request for the Department of Transportation. President Bush is requesting $54.3 billion for the Department including over $14 billion, or 27 percent, targeted to support our number one priority – safety. But before I outline the specifics of our 2004 budget, let me briefly speak to our making safety a priority while we improve our Nation's transportation system.

For the Department of Transportation, 2003 will be a year of special focus on highway and aviation safety. For the last 15 months, we at the Department of Transportation have spent a great deal of our time making transportation secure and responding to the threats of terrorism. This was absolutely necessary. We've made great progress.

In the aftermath of September 11th, the Department of Transportation had a laser-like focus on security. Two months ago, we successfully handed off to the new Department of Homeland Security the United States Coast Guard and the Transportation Security Administration – two of their largest and high profile agencies.

The Department of Transportation is proud to have provided strong leadership and steady support to the United States Coast Guard for more than 35 years. I am particularly proud of our work standing up the Transportation Security Administration from its creation through its first full year of operation. Indeed, this was a monumental task – one in which we performed under the intense glare of the public spotlight. It was a task that many of the so-called "experts" said was undeliverable.

On November 19, 2001, the day that the TSA was created, there were only 33 Federal Air Marshals nationwide. At that time, there was a poorly qualified, poorly equipped screener service at the airports, with substandard supervision. In less than one year and under wartime conditions, we recruited, trained, and deployed thousands of Air Marshals. We recruited over 300 highly qualified Federal Security Directors to oversee more than 429 airports in the country.

Through an unprecedented partnership with the private sector, we processed over a million applications, and hired, trained, and deployed more than 50,000 passenger and baggage screeners who provide world-class security and world-class customer service.

All of this was done while meeting 37 mandates — 36 of which were set by you the Congress in the Aviation and Transportation Security Act. The 37th was my own. I told my colleagues to be sure and meet the other 36. I am proud to say that the stellar employees of the Department of Transportation performed spectacularly – designing and delivering, on time and in working order, the Transportation Security Administration. When you look at the airline security system on September 12, 2001 and our system today, I am tremendously proud of the Department of Transportation and I am grateful to the Congress and this Committee for the cooperation we received.

We at the Department of Transportation look forward to continuing to work closely with our colleagues in the U.S. Coast Guard, the TSA, and throughout the Department of Homeland Security to ensure that America's transportation system remains safe, secure and efficient.

Now for this year, and going forward, I have challenged my senior management team to focus the same passion and the same innovation spent on security over the last year on a simple but profoundly important goal: improving safety and saving lives. Once again, I would like you in Congress to be our partners and achieve the same historic record of performance.

As I stated at the outset, more than one quarter of President Bush's 2004 budget is dedicated to ensuring the highest levels of safety across America's transportation infrastructure. The Administration's reauthorization proposals for both surface and air transportation programs will provide evidence of our continued commitment to safety. As you all know, those vital programs will expire in September. In anticipation of this, our 2004 budget request includes the foundation for proposed new legislation to address our Nation's transportation needs over the next four to six years.

We recently presented to the Congress President Bush's aviation reauthorization legislation – The Centennial of Flight Aviation Authorization Act, or Flight-100. We look forward to working with the members of this Subcommittee and with the entire Congress on swift passage of both this key aviation legislation, and the upcoming surface transportation legislation.

Let me share with you several principles of our aviation and surface transportation reauthorization proposals.

- Our proposals will include an emphasis on consolidating <u>and</u> expanding Federal safety programs.
- For the surface transportation programs, we will include increased funding flexibility for State and local authorities.
- We will continue to encourage innovative financing tools.
- We will propose efficient environmental stewardship processes that facilitate transportation infrastructure projects without compromising the environment.
- Finally, we will continue a strong emphasis on public transportation by simplifying transit programs and fostering a seamless transportation network.

The $14 billion requested by President Bush for the Federal Aviation Administration in 2004 will further ensure the highest possible levels of safety throughout the aviation system.

Flight-100 improves safety oversight of operators, repair stations and others, while tightening enforcement of the FAA's stringent safety and maintenance regulations. Because at the same time travel demand for air service will inevitably return to, and exceed, pre-September 11th levels in the future, we cannot afford to reduce our commitment to investing in the Nation's air traffic control system and our airports. Equally important, we cannot take our eye off the safety goal: to reduce aviation fatality rates by 80 percent over the period 1996 to 2007.

To meet both safety and mobility needs, the budget proposes to spend a greater portion of the accumulated cash balances from the Airport and Airway Trust Fund. The President's budget request and our reauthorization proposal provide $2.9 billion in fiscal year 2004 for facilities and equipment. In 2007, that figure rises to $3.1 billion.

Our proposal also provides $7.5 billion for FAA operations and maintenance in 2004 to improve efficiency – an 8 percent increase over the 2003 enacted level – and supports implementation of the Operational Evolution Plan, the acceleration of airspace redesign, and future air traffic controller staffing needs.

Turning to our soon-to-be presented surface transportation proposal, let me begin with a fundamental principle: the President and his Administration are committed to maintaining guaranteed funding levels that link highway spending to Highway Trust Fund receipts.

Our proposed program spends at a level that keeps the Highway Trust Fund balance relatively constant. The proposed obligation limitation for 2004 is $29.3 billion. When comparing the Administration's 6-year surface transportation reauthorization proposal in total to the six years of TEA-21, the President proposes an overall increase of 19 percent. The FY 2004 budget accomplishes this increase without proposing new user fees.

For the Federal Highway Administration, the FY 2004 budget request proposes that all revenue from gasohol taxes be deposited directly in the Highway Trust Fund rather than the current approach that deposits gasohol taxes into the General Fund. If enacted, this one change will add more than $600 million of available funding to the Highway Trust Fund for each year of the authorization cycle.

In addition to spending estimated Highway Trust Fund receipts, our proposal also unveils a new $1 billion Infrastructure Performance and Maintenance initiative to fund preservation and congestion alleviation projects that can be implemented quickly. Totaling $6 billion over the authorization period, this funding will target projects that address traffic congestion and bottlenecks, and improve pavement conditions.

Every year, more than 42,000 people die on our Nation's roads and highways. This is unacceptable – we can *and* must do a better job to save lives.

Reducing highway fatalities is "priority one." That is why the President's budget request includes $665 million for the National Highway Traffic Safety Administration to reduce fatalities, prevent injuries, and encourage safe driving practices. Of NHTSA's 2004 funding request, $447 million will support grants to States to enforce safety belt and child safety seat use and reduce impaired driving.

The Federal Motor Carrier Safety Administration, too, is focusing on ways to prevent fatalities and injuries resulting from accidents involving commercial motor vehicles. The 2004 budget request includes $447 million to address these critical safety issues. We will also continue to emphasize a comprehensive safety inspection program at the southern border so Americans can be assured that trucks entering the United States from Mexico meet our Federal safety regulations.

The Administration's 2004 budget request includes $7.2 billion to strengthen and maintain our public transportation systems and includes $1.5 billion to fund 26 "new starts" projects that will carry over 190 million riders annually when completed.

In addition to our proposals to support our highways and airways, President Bush is requesting $900 million for Amtrak. But this funding comes with a strong message: Amtrak must undergo significant reform.

Last week, my Deputy Secretary Michael Jackson and my Federal Railroad Administrator Allan Rutter testified before your colleagues in the Senate and the House on the Bush Administration's vision for a strong national intercity passenger rail system. I believe that America deserves a national rail system that is driven by sound economics, fosters competition, and establishes a long-term partnership between states and the Federal Government.

Mr. Chairman, this vision cannot be achieved without the fundamental reform of Amtrak. Simply put, America can no longer afford the status quo, and I am personally committed to working closely with the Congress, the states, and industry and labor leaders to develop a truly healthy and viable national passenger rail system.

Finally, I want to share with you President Bush's request for our maritime programs. I am pleased that this Committee has recently received the jurisdiction of all transportation modes including maritime. I believe maritime transportation issues, particularly our ports, are critical to the success of a truly intermodal transportation system. Waterways, canals and rivers were one of our Nation's first transportation systems. From the great explorers Lewis and Clark, to today's Ready Reserve Force supporting our troops in the Middle East, maritime shipping has moved generations of people and vital supplies.

The recent strike at our West Coast ports clearly indicated the importance of our ports to the national economy. This Congress can recognize that one of the true definitions of intermodalism and one of the great economic challenges of the next two decades will be our ability to move freight quickly and efficiently. To do so means recognizing that America is a maritime nation and that moving freight intermodally starts at the water's edge with our ports.

The Maritime Administration (MARAD) continues to support essential transportation and intermodal connections for domestic and international trade. President Bush requests $219 million to continue MARAD's efforts to expand and enhance capacity of our Nation's maritime infrastructure. One of MARAD's continuing challenges is the disposal of obsolete ships that potentially pose an environmental risk to our nation's waterways. The 2004 budget request includes $11.4 million for removal of the highest risk ships.

My prepared remarks focus on only a part of the whole picture. Yet each organization within the Department of Transportation contributes indispensably to accomplishing the goals I have outlined.

Let me finish my testimony by returning to the issue of safety. On 9/11 this Nation was stunned by the degree of destruction and loss we felt as a Nation by those horrific events. Each of us look back on that day and know exactly where we were when we heard the news. Yet each day thousands – thousands – of individuals experience their own moment of destruction and loss when the daily toll of death and injury occur on our Nation's roads and highways.

Frankly, we have been too complacent about finding new and innovative ways to collaborate and end this plague on America. I invite this Committee to join in finding new ways and new energy for better solutions. Last year we created a legacy of achievement. We can do it again.

Thank you again for the opportunity to testify today. My management team and I will work closely with you, and with the entire Congress, as you consider the 2004 budget and I look forward to responding to any questions you may have.

* * * * *