STATEMENT OF
THE HONORABLE JOHN D. PORCARI
DEPUTY SECRETARY OF TRANSPORTATION

BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

DECEMBER 10, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, I want to thank you for the opportunity to appear before you today to discuss the Department of Transportation's (DOT) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act).

December 6th marked the beginning of the 43rd week since the Recovery Act was enacted into law. During this time, DOT has made substantial progress in implementing the goals of this legislation. Today, I want to share with you some of the highlights of our progress and our plans going forward. DOT received $48.1 billion in resources to support infrastructure improvements and create and sustain jobs throughout the transportation sector. In the 42nd week following enactment, DOT had obligated a total of $31.8 billion on nearly 11,000 projects nationwide. More than 7,100 of these projects are already underway or completed and more come on-line everyday.

DOT outlays are also on a steady path upward. By the 32nd week of the Recovery Act implementation, DOT had reported $3.4 billion in outlays. In the ten weeks that followed, outlays continued to climb an average of $342 million each week reaching $6.8 billion in our most recent report. This is good news and we expect this trend to continue as larger projects come on-line.

This overall progress is just one part of the story. Each of the DOT Operating Administrations has achieved significant results worth noting. For example, the Federal Aviation Administration's funding has been used to support 355 airport projects representing $1.1 billion. I want to particularly highlight the positive results we are seeing from the Recovery Act's exemption to the Alternative Minimum Tax. Fifty-seven transactions representing about $7.3 billion in airport bonds have been sold at 33 different airports. Thirty-five of these transactions representing about $5.9 billion have resulted in reduced financing costs, saving an estimated $600 million that can be redirected toward other projects. This provision is helping us leverage our funding to get the most out of Recovery Act resources.

Also, the Federal Aviation Administration's Facilities and Equipment funding is being used to support approximately 300 projects representing $200 million. Two hundred and eighty-four of those projects are currently underway and 135 of those projects have been completed.

The Federal Highway Administration (FHWA) is also reporting record progress. FHWA has authorized more than $21 billion in funding for nearly 9,500 projects representing 80% of the total funds provided to States. This has all been accomplished in the last ten months since the Recovery Act was passed and while FHWA continues to administer its traditional program.

Similarly, to date the Federal Transit Administration (FTA) has awarded nearly 700 grants totaling $7.2 billion. An additional $500 million of projects is in the pipeline. In August, FTA set a goal of providing 10,000 new transit vehicles by December 31, 2009. As of the first week of December, they have already achieved and exceeded this goal with the record purchase of 10,745 new transit vehicles.

DOT is also pressing forward on other new initiatives included in the Recovery Act including implementation of the new high-speed rail program. The Recovery Act includes $8 billion for capital assistance for high speed rail corridors and intercity passenger rail service, and we are preparing to make awards to advance the program. The application process has closed and the Federal Railroad Administration has been reviewing and evaluating all of the applications received. In preparation for this new transportation option, Secretary LaHood and I participated in a forum last week with 30 manufacturing firms that have committed to either establishing or expanding the manufacturing of parts, supplies and equipment -- right here in the United States -- to support high speed rail. Improved intercity passenger rail and a new high speed rail industry will provide an opportunity to revitalize an entire American manufacturing sector and will create new jobs here at home.

The Recovery Act also provided $1.5 billion to the Office of the Secretary for discretionary grants to be used for projects that represent multi-modal transportation solutions and projects that include elements of innovative and lasting contributions to the Nation's transportation infrastructure. The Department received 1,400 applications and we are currently conducting an intensive review process. We expect to announce the grant recipients in January 2010 ahead of the February deadline.

While we are pleased with the Department's progress, we know the Recovery Act is about more than an efficient implementation process. It is about the impact on the lives of our citizens. Keith Kist, a construction worker in Cleveland, Ohio was hired back to work on a Recovery Act project building a new airport runway. Keith says that it's a "heck of a good feeling" knowing that there's work for him to do, and he's optimistic that the Recovery Act will provide work for more laborers in his local construction union.

Sean Langois a construction worker from Manchester, New Hampshire has a similar story. After being forced to leave home to find work in Canada, Sean was happy to be able to return to New Hampshire to take a full-time job as a general laborer on a Recovery Act road-widening project. These workers, and many thousands like them, can look forward to a paycheck that ensures that their families have the resources they need.

There is no question the Recovery Act is working as intended, putting Americans to work while making long-term investments in our infrastructure. Equally important is DOT's commitment to ensuring that all funds are spent wisely, that the program meets all Federal reporting requirements, and that we are able to share accurate information with the American people about our progress. We have long-standing relationships with the State Departments of Transportation, Regional Transit and Airport Authorities and local partners that have enabled us to gather project specific information and employment levels through traditional avenues.

DOT recently participated in the first-ever Section 1512 jobs reporting effort required under the Recovery Act. Section 1512 requires Recovery Act fund recipients to report information about their Recovery Act projects including information on the number of jobs created. Overall, DOT recipients did an excellent job in responding to this data request with more than 96% of recipients responding. One major error resulted in the under reporting of about 1,200 jobs that were miscoded to the Veterans Administration. All told, recipients reported the creation of more than 46,400 direct jobs during this first reporting cycle. This does not include the indirect jobs that result from increases in supply chains, equipment or other supporting services. Nor does it include jobs that result when reemployed workers use their resources to purchase goods and services in the local economy. When these factors are taken into account, the impact of these jobs has a ripple effect creating many more jobs than those reflected as direct jobs. We expect that that recipient reporting process will continue to improve as we prepare for the next reporting cycle in January.

While we are pleased with the progress DOT has made, there is still more work to be done to implement the goals of the Recovery Act. We look forward to our continued progress and success in ensuring that these critical resources are at work improving our infrastructure and providing jobs for America.

This concludes my testimony and I will be pleased to answer your questions.

* * * * *

FHWA ARRA Projects in Economically Distressed Areas (EDA)
as of December 7, 2009

State or Territory	Total Percent of Projects in EDA	Total Percent of Funds Obligated in EDA	Total Percent EDA Population in the State*
ALABAMA	71%	78%	54%
ALASKA	63%	56%	33%
AMERICAN SAMOA		0%	-
ARIZONA	100%	100%	22%
ARKANSAS	82%	72%	67%
CALIFORNIA	99%	99%	62%
COLORADO	13%	15%	25%
CONNECTICUT		0%	0%
DELAWARE	13%	22%	18%
DISTRICT OF COLUMBIA	100%	100%	100%
FLORIDA	31%	18%	34%
GEORGIA	67%	59%	51%
GUAM	100%	100%	-
HAWAII	26%	47%	14%
IDAHO	82%	78%	62%
ILLINOIS	73%	84%	22%
INDIANA	46%	52%	47%
IOWA	35%	58%	18%
KANSAS	64%	56%	35%
KENTUCKY	65%	68%	56%
LOUISIANA	98%	100%	30%
MAINE	38%	64%	34%
MARYLAND	14%	15%	16%
MASSACHUSETTS		0%	8%
MICHIGAN	80%	74%	91%
MINNESOTA	32%	29%	20%
MISSISSIPPI	83%	87%	65%
MISSOURI	72%	63%	59%
MONTANA	31%	41%	25%
N MARIANA		0%	-
NEBRASKA	56%	53%	18%
NEVADA	69%	75%	97%
NEW HAMPSHIRE		0%	0%
NEW JERSEY	7%	17%	12%
NEW MEXICO	72%	62%	54%
NEW YORK	38%	26%	19%
NORTH CAROLINA	42%	56%	45%
NORTH DAKOTA	24%	32%	6%
OHIO	86%	93%	47%
OKLAHOMA	79%	80%	39%
OREGON	45%	60%	53%
PENNSYLVANIA	48%	47%	35%
PUERTO RICO	100%	100%	-
RHODE ISLAND	45%	66%	80%
SOUTH CAROLINA	64%	65%	62%
SOUTH DAKOTA	42%	53%	15%
TENNESSEE	62%	73%	47%
TEXAS	54%	35%	26%
UTAH	44%	41%	50%
VERMONT	40%	49%	10%
VIRGIN ISLANDS	100%	100%	-
VIRGINIA	41%	43%	26%
WASHINGTON	79%	90%	24%
WEST VIRGINIA	84%	66%	72%
WISCONSIN	27%	17%	21%
WYOMING	18%	13%	2%
Grand Total	**58%**	**57%**	**39%**

* Population data based on November 6, 2009 FHWA HEPGIS map