

ORAL STATEMENT OF  
FEDERICO PEÑA  
SECRETARY OF TRANSPORTATION  
BEFORE THE  
U.S. SENATE ENVIRONMENT & PUBLIC WORKS  
COMMITTEE  
HEARING ON THE NATIONAL HIGHWAY SYSTEM

July 15, 1994

Good morning, Mr. Chairman and Members of the Committee. I am pleased to be here this morning for the continuation of hearings on the proposed National Highway System (NHS). With me today is my colleague, Federal Highway Administrator Rodney Slater. We welcome the opportunity to pick up where we left off during your hearing, Mr. Chairman, last month in Bozeman.

[I'd like to think we are back by popular demand.]

I know the schedule is tight this morning so I will ask that my full statement be made a part of the record, and I will keep my remarks brief so there will be time for some discussion. After my remarks, Mr. Slater will present a vivid illustration of the NHS components for you, using a unique

computer system, the Geographic Information System (GIS) which is finding many uses in the transportation world.

Right from the beginning of his campaign, President Clinton said that wise investment in transportation is the key to America's future growth and prosperity. We believe in infrastructure investment as a means of improving our quality of life, making it easier for people to move more freely, strengthening America's economy, and creating jobs for American workers.

I am proud to be a part of an Administration that has fully supported the goals of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) as well as advocating full funding for it. In fact, DOT's 1995 budget contains the largest transportation infrastructure investment in our Nation's history -- over \$28 billion -- in a year when the budgets of many other departments were sharply cut. Since 1991, the DOT's infrastructure investment budget has grown by 24 percent, and that increase is now bringing needed transportation improvements and efficiencies, putting construction machinery in motion and creating jobs.

In addition to rising Federal investment, we are also seeking ways to involve the private sector in innovative financing. We have a number of such efforts underway within the Department and are working extensively with

private groups. And I commend you, Mr. Chairman, for your leadership in introducing your bill, the State Transportation Financing Improvement Act of 1993 (S. 1714). We all are working from the premise that in order to begin to address the conflicting pressures to reduce overall public spending and improve our transportation infrastructure we must attract additional capital from the public and private sector.

ISTEA challenged us to change our way of doing business. But to invest wisely, a nation, like an individual, must make choices and develop a strategy. I believe that designation of a National Highway System is one of the key elements of America's future transportation strategy.

The Department developed the proposed NHS through extensive consultations over two years with State and local transportation officials in all 50 States, the District of Columbia, and Puerto Rico -- and with the Department of Defense for advice on strategic military roads. During the recent NHS hearing in Montana I was gratified by the testimony of the witnesses on the results of the NHS submission to Congress; by and large the States testifying thought the process had worked cooperatively and fairly, and they supported the approval of the NHS. I am pleased that we are hearing of such support.

The result is a proposed network of nearly 159,000 miles of roads and highways of national significance. It includes the more than 40,000 miles of the Interstate System as well as major urban and rural arterials. But the purpose of designating segments of highway as part of the NHS is not to create a new, larger Interstate System or to upgrade all 158,000-plus miles of roads to Interstate standards. The goal is to focus attention on these important roads -- roads that carry more than half of all America's road-borne commerce and more than 40% of passenger travel. Clearly, these roads will have priority for investment and improvement in the future.

Once adopted by Congress, the NHS would allow every level of government to better target its highway investments in coming years. Significant ISTEA funding, as much as \$21 billion, will be directed towards the NHS and State governments will have strong incentives to match or surpass those efforts. The NHS will also provide links to major airports, seaports, rail stations, transit systems, intermodal terminals, and maritime facilities. By providing these connections, it will greatly increase the efficiency of our whole transportation network. The economic importance of an efficient national transportation infrastructure is growing. An increase of just 1 percent in system-wide transportation efficiency, for example, would translate into more than \$100 billion in gains for the American economy within a decade.

As I have noted, the NHS includes numerous links between highways and other modes. But it is not -- and it was not intended to be -- a fully-integrated national transportation network. It is a giant step toward such a System -- but we need to do much more.

That is why I have called for us to begin the work of creating a truly comprehensive and intermodal National Transportation System (NTS) -- that will enable us to "see" America's transportation needs more clearly and equip this Nation with the transportation system it needs to compete in the global economy. We have already begun an outreach program -- to State and local officials, citizens groups, private businesses and transportation users generally -- to refine the purpose and scope of the NTS and forge a powerful and dynamic tool for citizens, policy makers, and elected officials. We want to be in a position to propose an NTS for consideration by Congress and our plan is to have a proposal by the fall of 1995.

The NTS will embrace all modes of transport -- highways, waterways, airports, seaports, rail lines, and even pipelines -- both passenger and freight, as well as their connections. It will foster intermodalism -- developing the best transportation mode for each purpose, and building efficient connections between them.

This is not a pie-in-the-sky concept. In recent years, businesses have begun using intermodalism -- shipping the same container first by sea, then by railroad, and finally by truck to the final destination. With the NTS, we are applying that same concept on a national basis.

The NTS will also focus our Nation's infrastructure investments well into the next century by identifying bottlenecks, missing links, and needed new components of our total transportation system.

The NTS will promote more, and better, investment in transportation facilities. This will come from the better understanding that both the public and private sectors will have of actual needs, and from the better targeting of investments.

The NTS will help guarantee to the American people that their tax dollars are invested wisely on projects that will be part of a truly national system -- one that will stimulate the economy, create jobs, and give them unprecedented mobility.

But first things first. As you know, if Congress fails to enact the NHS by September 30, 1995, States will lose needed dollars for highway repair and improvements. If the

deadline is missed, we cannot apportion NHS funds -- \$3.6 billion -- or Interstate Maintenance Program funds -- \$2.9 billion-- to the States for fiscal year 1996. The proposed System is now ready for congressional approval. If the System is designated this year, States will be better able to manage their investments and all of us will be able to concentrate on implementing other key programs under ISTEA. We will also be able to build on the NHS accomplishment and turn to our vision of the future. There is no reason to delay approval of this vital infrastructure tool; the NHS will fuel our economic competitiveness, create jobs, save energy, and provide substantial benefits to the Nation.

I realize that this Committee has urgent legislative matters to address during the remainder of a very busy legislative session; so I commend this Committee for proceeding with the NHS hearings at this time. When we submitted our proposal for the NHS last December, we asked for a simple "clean" National Highway System designation. Your bill, Mr. Chairman, S. 1887, does exactly that. While we are glad that the House acted quickly in passing its NHS designation bill, H.R. 4385, and that it endorsed the development of the National Transportation System, we do have some concerns about that measure. Specifically, the bill could divert scarce budget resources from programs Department-wide in order to fund special demonstration projects that have not been evaluated through

normal State processes. Also, we are concerned that the bill requires any future modifications to the NHS to be approved by Congress. We believe a better approach is to allow the Department to approve modifications at the request of a State after a cooperative effort with local officials.

In closing, I look forward to passage of a bill establishing a National Highway System before the 1994 session ends. I would like to see early enactment of the NHS bill so we can move forward with developing a National Transportation System. Our mobility and our economy cannot afford to wait another year to begin building our future. Progress in development of an intermodal National Transportation System relies on the existence of the NHS. We have the opportunity to move forward now. I believe we should take that opportunity.

Mr. Chairman, with your permission I would now like to ask Administrator Slater to present the NHS to you using the Geographic Information System. I believe it dramatically illustrates what the NHS will mean to us nationwide and how it will serve to support a truly intermodal National Transportation System.