

**STATEMENT OF DEPUTY SECRETARY OF TRANSPORTATION MORTIMER DOWNEY
BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
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Mr. Chairman, Senator Moynihan, and distinguished Members: I thank you for the opportunity to testify in behalf of reauthorizing the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the landmark transportation legislation which this Committee helped to shape six years ago.

This morning I would like to speak about the National Economic Crossroads Transportation Efficiency Act of 1997 (NEXTEA), the successor to ISTEA recently proposed by President Clinton, Vice President Gore, and Secretary Slater. I especially want to discuss how NEXTEA can sustain its predecessor's commitment to meeting the transportation challenges faced by urban America.

Before ISTEA, the different transportation modes were not viewed as part of an interrelated whole serving vital national interests, nor were transportation's impacts on other concerns, such as the health of our environment or the condition of our cities, the subject of enough consideration.

ISTEA changed all of that. Beginning with the first word of its title, "Intermodal," it signaled a change in how the federal government viewed surface transportation and a redefinition of its role in a partnership to improve our transportation systems.

ISTEA emphasized an integrated approach to transportation planning and programming, looking at the different forms of transportation as parts of a network and bringing together many constituencies and interests which had not previously been part of these decision-making processes.

ISTEA also began to streamline federal administrative processes, simplifying requirements and removing layers of oversight and eliminating many reporting mandates.

ISTEA also revamped the statewide and metropolitan planning procedures and required that a broad range of transportation's impacts, such as those on air and water quality, be analyzed and, in many cases, actively mitigated through initiatives such as the Congestion Mitigation and Air Quality Improvement Program (CMAQ). Together with cleaner vehicles and fuels, programs such as CMAQ have helped to improve air quality.

In viewing transportation as a means, and not as an end in itself, ISTEA enabled state and local officials to set their priorities based not on what kinds of funding might be available but rather on what types of projects would best meet the mobility needs of individual communities and regions. This emphasis on intermodalism was promoted by ISTEA's expansion of the ability of states to transfer funds between programs and among transportation modes.

By creating the Bureau of Transportation Statistics, ISTEA also began to establish a base of information to support transportation decision-makers at all levels of government and in the private sector. It collects data from all modes of transportation, performs analyses, improves the comparability and quality of transportation data, and makes it readily accessible to the public. The work it has done, such as national surveys of commodity flows and passenger travel, is invaluable to informed planning.

Even as ISTEA changed how transportation projects and initiatives are selected, it also transformed how they are designed, funded, and built. Improvements in design and engineering have enhanced quality. Innovative contracting is beginning to cut construction costs, accelerate project implementation, and enhance value. New materials developed under ISTEA-authorized research programs, such as high-performance concrete and Superpave asphalt, are also increasing the useful life span of our infrastructure and reducing long-term replacement costs.

Experimental provisions within ISTEA have made possible innovative financing, which cuts red tape to move projects ahead faster and leverages federal funding with private and nontraditional public sector resources.

The President's Partnership for Transportation Investment, which used ISTEA's experimental provisions for such strategies as toll credits for state matching funds and federal reimbursement of bond financing costs, has advanced 74 projects in 31 states with a construction value of more than \$4.5 billion, including more than a billion dollars in new capital investment directly attributable to this program. Many of these projects are progressing to construction an average of two years ahead of schedule.

For example, New Jersey used phased funding to begin work a year early on a new viaduct at the interchange of Routes 1 and 9 in Newark. The state also was able to apply toll road revenues used for capital investments as the match for federal funds, effectively freeing up more than \$800 million of state funds for other projects.

ISTEA recognized that new priorities and new ways of doing business can best be encouraged by ensuring that the funding provided to support them is adequate. Towards that end, ISTEA increased overall federal transportation funding authorizations. President Clinton has worked with Congress to make the most of those higher authorizations, raising infrastructure investment by more than 20 percent, to an average of more than \$25 billion annually over the past four years.

This funding is making possible major regional improvements such as the Queens Connector in New York and the Hudson-Bergen Light Rail Line in New Jersey. ISTEA's greater programmatic flexibility also has enabled funding to be transferred to transit and other urban priorities. Over \$3 billion traditionally provided for highways was used during the life of the ISTEA bill for high-priority transit projects, increasing overall transit funding under ISTEA to more than \$5 billion in fiscal year 1995 alone.

Although record levels of funding have gone to transit and to such alternatives as bicycle and pedestrian programs in urban areas such as this one, a substantial portion of ISTEA funding has continued to be used to maintain and expand our highways, the backbone of travel in much of the nation.

ISTEA's legacy, then, is one of meeting the transportation challenges of the 1990s through new emphases and new strategies without neglecting traditional concerns. As we approach the 21st century and demands brought about by such varied factors as our economy's increasing globalization and the changing demographics of our population, we want to build on ISTEA's successes.

Two years ago, when we first started to consider what form ISTEA's successor should take, we began an extensive process of outreach to our constituents which included major regional forums and scores of other meetings involving thousands of attendees from state and local governments, the transportation industry, other interested groups such as freight shippers and environmentalists, and the general public.

Overwhelmingly, the message we heard was that ISTEA has been a success, and that we should continue the many federal programs which are working, refine those which have not yet fully realized their promise, and create new initiatives to meet the challenges of the new century. We believe that NEXTEA does all of these things.

It would increase overall federal surface transportation funding authorizations by 11 percent, from ISTEA's \$157 billion to \$175 billion for fiscal years 1998-2003. By eliminating certain categories of spending, it provides a 30 percent increase in core highway programs, such as those for Interstate Highway maintenance and the National Highway System. It also includes a 17 percent increase for transit major capital investments, a continuation of the mass transit "new starts" program.

If Congress funds NEXTEA at the levels we have proposed, that would mean \$11.982 billion for New York State over the next six years in formula-based funding alone. It also would mean more than \$4.965 billion for New Jersey and more than \$2.746 billion for Connecticut for fiscal years 1998-2003. In fact, 49 of the 50 states would receive more funding under NEXTEA than under ISTEA. (The sole exception, Massachusetts, received unusually high levels of funding under ISTEA to support construction of Boston's Central Artery project.)

Such funding also could be directed to urban priorities because of increases in the flexible Surface Transportation Program and because Amtrak, intercity public rail terminals, and projects to improve access to public ports would be made eligible for funding.

This funding and the projects it would support would help to reduce the \$50 billion a year that urban congestion costs commuters and freight shippers. There is also an even more direct economic benefit: the construction and other work generated by this plan could create an estimated one million jobs over the next six years, including 75,000 jobs here in New York, 32,000 jobs in New Jersey, and 18,300 in Connecticut.

NEXTEA also sustains the federal commitment to intelligent transportation systems (ITS) created by ISTEA. ITS applies advanced information and communications technologies to transportation through systems available today such as ramp meters and synchronized traffic lights, and through technologies which could be available tomorrow, such as advanced collision avoidance systems.

In metropolitan areas, these technologies can cut by 35 percent the cost of providing the highway capacity we need over the next decade. That is why we are promoting the integrated deployment of ITS technologies. In fact, the New York-New Jersey-Connecticut metropolitan area is one of four chosen, with federal support under ISTEA, to serve as models for such deployment.

NEXTEA includes a research component which would support technology development and ITS deployment through standards development, training, and technology transfer. It also would fund work in collision avoidance and vehicle control systems to reduce crashes. We have proposed \$678 million over the next six years for such support initiatives. We also have proposed a six-year, \$600 million incentive program to promote the integrated deployment of ITS infrastructure technologies that are technically feasible and highly cost-effective.

Our transportation system is not just about moving people and products efficiently, as important as that is to our prosperity: it also is about enabling people to travel safely. Travel is safer than it was at the beginning of the decade, but as traffic increases, so does the possibility of more highway crashes.

ISTEA has addressed safety, helping to make safer travel possible. It has supported programs to prevent drunk driving and to raise safety belt use. It also has supported initiatives such as New York's pedestrian safety program, which cut pedestrian fatalities by 28 percent over a three-year period.

ISTEA-funded "rumble strips" on such highways as I-81, I-87, and I-88 can save lives by alerting fatigued motorists that they are about to drive off the road. A state-funded project on the New York Thruway has already helped to reduce such crashes by 70 percent.

The President's proposal would build on such successes by increasing highway safety funding authorizations by more than 25 percent, and by supporting new programs targeted to the biggest safety payoffs: combating drunk and drugged driving and increasing proper use of safety belts and child restraints.

NEXTEA also would protect the environment. As with highway safety, more traffic challenges the progress we have made. More travel could dilute the progress made through

cleaner cars and fuels. That is why we have to continue, and even expand, the efforts which have brought us this far.

NEXTEA increases by 30 percent funding for CMAQ to help communities use various transportation initiatives to clean up their air. That includes everything from high-speed ferries in Rhode Island to the Red Hook Marine Terminal freight container barge, which takes hundreds of trucks off of New York City's streets each day.

NEXTEA also continues investment in bicycle paths, scenic byways, recreational trails, and other programs that cost relatively little but which greatly improve the quality of our lives. For example, last year the Merritt Parkway and State Route 169 in Connecticut have been designated as National Scenic Byways. Transportation Enhancements and other funding are supporting implementation of the New York City bicycle plan, which ultimately will have 500 miles of on-street bike lanes. And ISTEA funding helped to restore the historic Netherwood Station in Plainfield, New Jersey.

The President's plan also addresses other national priorities. It would help to reduce the barriers faced by those moving from welfare rolls to payrolls by encouraging affordable transportation to jobs, training, and support services such as child care.

NEXTEA is intended to help bridge the gap between people and jobs. It includes a six-year, \$600 million program of flexible, innovative alternatives, such as vanpools, to get people to where the jobs are. That is important, since two-thirds of new jobs are in the suburbs and many welfare recipients do not own cars.

NEXTEA also continues the commitment to common sense that President Clinton and Vice President Gore have brought to government operations over the past several years.

NEXTEA proposes more common-sense ideas: focusing on results, not on process; cutting red tape and streamlining requirements; promoting innovation, such as more new ways to pay for roads and transit systems; and giving state and local officials even greater flexibility to target federal funds to projects which best meet community needs.

NEXTEA expands our innovative financing program. For example, it includes \$900 million in seed money for state infrastructure banks, which leverage private and other nonfederal resources, and opens this program up to all states.

It also dedicates \$600 million to help leverage nonfederal resources for projects of national significance which individual states cannot afford, such as interstate trade corridors. That responds to states' needs in handling the increased traffic from NAFTA and other agreements to promote trade.

NEXTEA also makes the transportation planning process simpler and smoother for our state and local partners. It would streamline the 23 statewide and 16 metropolitan planning factors into seven broad goals that states and localities can use as appropriate to guide their planning. It would emphasize system operations and management so that planning considers a complete range of transportation options, including intelligent transportation systems, and it would expand planning's inclusiveness by ensuring that the concerns of freight shippers are heard.

NEXTEA also continues to transform federal oversight by reducing project reporting and certification requirements. We know that we must trust our partners in state and local government and the private sector instead of burdening them with paperwork.

By expanding the scope of work carried out by the Bureau of Transportation Statistics, NEXTEA also would provide decision-makers with more of the information they need to make the right choices. Under NEXTEA, we would expand services to states and metropolitan planning organizations, expand the National Transportation Library and similar activities, and