

**STATEMENT OF JOHN N. LIEBER
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POLICY
U.S. DEPARTMENT OF TRANSPORTATION
BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS
SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
KANSAS CITY, MISSOURI
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Mr. Chairman, Members of the Committee, and other Members, it is a pleasure to be invited to come to the Midwest to discuss reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991. By virtue of its position at the crossroads of this country, this area has played a unique role, historically, in the development of our nation's economy and transportation system -- a role which continues to the present day.

In his confirmation statement to your Committee two months ago, Secretary Slater emphasized three priorities for our Department:

- I. Strategic investment in infrastructure;
- II. A commitment to safety; and
- III. Encouraging common sense and innovation in our activities.

These priorities closely mirror the issues you have addressed in this hearing -- economic development, safety and intermodalism. And in each area, we believe the comprehensive, \$175 billion NEXTEA reauthorization proposal announced on March 12 by President Clinton, Vice President Gore, and Secretary Slater has a great deal to offer.

But first let me turn to the priority repeatedly highlighted by Secretary Slater. It is also a primary focus of this hearing.

SAFETY

For Secretary Slater and the Department of Transportation, safety is number one. Every year there are approximately 41,000 highway fatalities and 3.4 million highway related injuries. It is likely that each of us here today has experienced the painful loss of a family member, a friend, a coworker, or a neighbor -- killed or injured in a highway crash. We must make a greater effort to prevent this loss of life by working for safer highways, safer drivers, and safer vehicles.

Federal safety programs have contributed to real progress in highway safety. In recent years the number of fatalities and injuries has continued to decline in this country. The latest motor vehicle fatality rate (per 100 million vehicle miles travelled -- VMT) stands at 1.7, down from 5.5 in 1966. Yet the number of people killed in traffic crashes continues to be unacceptable. Further, a disproportionate share of these

fatalities occur in rural areas (areas of less than 50,000 population). In 1995, urban interstates had a fatal accident rate of 0.55, while rural interstates had a rate of 0.99. On urban local roads the fatality rate was 1.57, but on rural local roads that rate was 3.45. Statistics are worse in rural areas for several reasons including higher speeds, more fixed object collisions, and more run-off-the-road crashes. Additionally, crash response times in rural areas tend to be longer than in urban settings.

The Administration's NEXTEA proposal includes a variety of programs to improve roadways in rural as well as urban areas. Overall, it increases safety funding a total of almost \$2 billion over ISTEA.

NEXTEA also would continue funding to eliminate physical road hazards and to make highway-rail grade crossings safer. Grade crossing casualties at public crossings alone have dropped by 20 percent since enactment of ISTEA. But there is much work to be done.

The National Highway Traffic Safety Administration's (NHTSA) programs targeted toward driver behavior and vehicle safety would be funded at 25 percent above ISTEA. These increases would support new and increased funding for state and local programs to promote safety belt use and to reduce drunk and drugged driving. Furthermore, safety would be

emphasized in DOT's research programs. For example, in the ITS research program, we are launching the development of a fully integrated "intelligent vehicle," which would incorporate collision avoidance and other advanced safety features. Such vehicles will apply the latest knowledge of electronics and human factors to produce a truly "human centered" transportation system that adapts to the needs of its user.

The Department has proposed significant increases in our core highway programs. These additional funds will contribute to enhanced safety on all our Nation's highways. On the NHS alone, two-lane roads represent more than 40 percent of that system. Overall, they are 75 percent of the Nation's road network -- much of which can be funded through the Surface Transportation Program, and all of them are eligible for hazard elimination funding under the Infrastructure Safety Program. The Federal Highway Administration is working aggressively with our partners on a number of other fronts to improve safety, particularly on two-lane rural roads.

STRATEGIC INVESTMENT IN INFRASTRUCTURE: A TOOL FOR ECONOMIC DEVELOPMENT

People in this area -- at the crossroads of major east-west and north-south transportation networks -- are well aware of how vital the efficiency and reliability of our transportation

system is to our prosperity. That is especially true as more and more manufacturers rely on "just-in-time" deliveries, and as exporters depend on low transportation costs to give them a competitive advantage overseas -- particularly as against low wage economies.

NEXTEA shows that the Administration has the same view of things. During the 1992 campaign, the President talked frequently about the need to "rebuild America," even as we move towards a balanced budget, because he recognized the connection between infrastructure and economic growth. Over the past several years the President has worked with Congress to make good on this promise. Together, the Administration and Congress have succeeded in increasing Federal infrastructure investment by more than 20 percent, to a record-level of \$25.5 billion a year, on average. These investments have already started to pay off. Most measures of highway conditions and performance have improved in recent years.

NEXTEA recognizes the importance of continuing to increase infrastructure investment, even as efforts continue to achieve a balanced budget. Under the President's proposal, surface transportation funding authorizations would increase by \$17 billion, or 11 percent, over the levels authorized by ISTEA. Successful core infrastructure programs -- Interstate

Maintenance, National Highway System (NHS), Surface Transportation Program (STP), and the Federal Lands Highway Program -- would increase by about 30 percent. And we will also sustain our support of mass transit, which has, over the past four years, produced record levels of investment and helped sustain both rural and urban transit systems in communities throughout the country.

All of this means substantial gains for many states -- including Missouri, which would receive \$90 million more in average annual apportionments under NEXTEA; Virginia would receive a \$92 million average annual increase; and Rhode Island would receive \$ 9.5 million more in average annual apportionments.

NEXTEA also would help enhance our economy by facilitating the increased trade we are seeing from NAFTA and other trade agreements. In addition to dramatic increases in core highway programs, NEXTEA includes new programs to improve border crossings and to develop major north-south trade corridors within the U.S.

NEXTEA also would have a direct impact on business transportation by making a variety of freight facilities -- intermodal terminals (other than ports and airports), and

publicly-owned rail access to water ports, for example -- fully eligible for Federal aid.

All of this will help cut costs and improve our transportation system's efficiency, which is good for business, and key for economic development. But we need to remember that a healthy transportation sector also aids the economy directly, because transportation accounts for about 11 percent of GDP, equivalent to housing or health care, not to mention the more than a million construction-related jobs that Federal investment will support, as we build roads and transit systems over the next six years.

At the same time, we recognize that Federal funding cannot provide all of the infrastructure resources that we as a society need, so

NEXTEA will continue the innovative financing strategies we have pioneered in recent years.

Under ISTEA, we pushed the envelope to stretch Federal dollars and to attract private capital and other non-federal resources to public infrastructure. This effort has achieved some impressive results. Since 1994, these innovative financial strategies have allowed us to accelerate 74 projects worth \$4.5 billion, including \$1.2 billion in new investment that would not

otherwise have been available. These projects -- truck/rail transfer facilities, highways funded with revenues from companies that lay fiber-optic cable, and many others -- are getting done, on average, two years earlier than would have been possible through conventional financing.

We also started our State Infrastructure Bank program, which uses Federal seed money for loans, letters of credit and other credit enhancement tools designed to leverage new, non-federal dollars. I am pleased to note that both Virginia and Missouri were among the first ten states to be selected for this program. Under NEXTEA, we want to expand these infrastructure banks beyond the current 10 pilot states to all states, and to contribute \$150 million yearly to them, over and above state-by-state apportionments.

We also want to dedicate \$100 million annually to help leverage *non-federal* resources for projects of national significance that individual states cannot afford, such as interstate trade corridors.

INTERMODALISM

As you know, the first word in the title of ISTEA is "Intermodal." And since ISTEA was enacted, the Department has been working to fulfill the promise of ISTEA.

Each of us attaches a different meaning to the term "intermodalism." In the freight business, the concept has been applied for many years -- to use whatever mode provided shippers with the most efficient movement for the least cost. The same concepts that work for freight have broad applications to all types of transportation. Intermodalism is about connections, choices, and coordination and cooperation among transportation users and providers.

One major tool for strengthening connections has been the intermodal connectors provision of the National Highway System Designation Act of 1995 (NHS Act) which required the Department to identify connections to major intermodal terminals. We have identified appropriate connections -- 1,251 -- to major ports, airports, ferry terminals, Amtrak stations, intercity bus terminals, highway-rail terminals, and highway - pipeline terminals. Many facilities in the Kansas City area were included on this list.

ISTEA permitted the use of NHS dollars to fund highway connections to key intermodal facilities. NEXTEA goes one step further by allowing investment in the intermodal terminals themselves -- where the connections take place -- as part of the NHS. It expands the list of eligible activities under the NHS program to include intercity passenger rail capital projects, under the same criteria that currently apply to transit and

non-NHS highway projects; publicly owned intracity or intercity passenger rail and bus terminals, including Amtrak, and publicly owned intermodal surface freight transfer facilities, other than airports and seaports, where the terminals and facilities are located at or adjacent to the NHS or connections to the NHS. Infrastructure-based Intelligent Transportation Systems capital improvements also would be eligible. Even greater flexibility is provided for Surface Transportation Program apportionments.

Kansas City, Missouri, has been a leader in freight intermodalism. The Mid-America Regional Council developed a strategic plan on how to maintain and enhance Kansas City's position as one of the major rail intermodal hubs in the Nation. Several key highway connections to major rail intermodal facilities in the greater Kansas City area were identified.

The metropolitan Kansas City area is considering a number of intermodal projects that will retain and enhance its status as one of the Nation's most important intermodal interchange points. State and local officials, as well as the metropolitan area business community and the planning authority, strongly support these efforts.

The public sector's overall transportation goal for the Northeast Industrial District is to implement a series of highway and rail improvements, financed by the public and private sectors, that will

expedite the flow of truck traffic into and out of the area, alleviate truck and rail congestion and optimize existing commercial space and supporting infrastructure.

Intermodalism is also about choice. NEXTEA would provide state and local governments with expanded flexibility to target Federal funds to the types of infrastructure investments that will work best for them -- whether traditional highway investments, safety improvements, new freight intermodal facilities to handle growing trade, rural Intelligent Transportation System (ITS) applications, or rural transit services. We should not tell Missouri, Virginia, or any state what the most strategic and important investment is in any given situation. We need to expand, not reduce, the menu of transportation choices from which states and local governments can make investment decisions.

A sound, inclusive transportation planning process is essential to achieving the vision of informed state and local choice. NEXTEA would preserve ISTEA's statewide and metropolitan planning processes, with some streamlining.

Missouri has been a leader in developing the planning processes ISTEA envisioned. Following ISTEA's emphasis on greater public involvement in the transportation planning process, the East-West Gateway Coordinating Council in the St.

Louis region embarked on an innovative, multimodal, and multi-player approach to regional planning. In 1992, the Council engaged in a broad public participation process for the development of their long-range plan. The result of this broad-based process was the region's transportation plan, *Transportation Redefined*, adopted in 1994.

The 1996 formation of a new joint planning team in St. Louis staffed by Missouri DOT, the Bi-State Development Agency (the transit provider), and the East-West Gateway Coordinating Council (the Metropolitan Planning Organization for the St. Louis area) continues and builds upon this pattern of partnership. Missouri DOT is working to set up a similar partnership in Kansas City.

The Missouri Department of Transportation has used ISTEA to their advantage in speeding construction. In cooperation with Kansas City, Cape Girardeau, Hannibal and the Kansas and Illinois Departments of Transportation, Missouri prepared an innovative financing package in 1995 for the replacement of three major river bridge crossings in the state. Working with the Illinois Department of Transportation, the Missouri Department of Transportation is improving the Mississippi River crossings into Illinois at Cape Girardeau and Hannibal; working with Kansas City, it is repairing and planning to replace the Chouteau Bridge over the Missouri River. These bridges serve

major highway routes and are of vital importance to the regional economies at each location.

Another sign of NEXTEA's commitment to choice is the approach to investments in technology. We have seen that technology can make our transportation systems safer as well as improve system performance and increase the capacity of existing systems -- in rural as well as urban areas. So we are proposing to make ITS technology eligible in all major categories, so those making project decisions will always look at technology as a strategy to increase capacity, alongside more expensive new construction alternatives.

And we are also going to back this commitment with funding. NEXTEA includes a \$600 million program to help states and cities integrate their ITS programs and to deploy ITS for uses such as commercial vehicle systems.

CLOSING

The President speaks about the need to build a bridge to the 21st century. And when he does, he often speaks in metaphorical terms that involve balancing the budget, improving education for our children, and preserving the environment as we grow the economy. NEXTEA speaks about building roads and bridges and transit systems in more literal terms.

At its heart, ISTEA reauthorization is about more than roads

and bridges, it is about cutting-edge jobs in commerce, it is about getting people to work, it's about providing safety on highways, and it is about

the communities we share and the steps we have to take to make those communities both safer and cleaner for ourselves and our children.

The chance to reshape America's infrastructure comes along once every few years. That means this legislation literally will be our bridge to the 21st century. I look forward to working with this Committee and joining a long tradition of bi-partisan cooperation as we shape transportation policy that moves this Nation forward.

Overall, we think NEXTEA is a good proposal. But we cannot take full credit for it. Many of these ideas came from the extensive outreach we engaged in over the past year -- including 13 major regional forums, (including forums in Vienna, Virginia, St. Louis, Missouri and Providence, Rhode Island), more than a hundred focus groups (including one in Kansas City on environment and design issues and one in St. Louis on the planning process), and hundreds of smaller meetings around the country.

We met with literally thousands of our partners and constituents, and the message we heard was: "ISTEA works.

Tune it, don't toss it".

We worked to develop NEXTEA in this spirit of continuity, but also to suggest changes necessary to prepare America's transportation system for the 21st century.

We are optimistic that we can sustain the bipartisan cooperation that gave us ISTEA, and there are promising signs. We are pleased that Senator Chafee and Senator Moynihan reached across party lines to introduce NEXTEA as co-sponsors. We are looking forward to working with Congress in the months to come.

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