

STATEMENT OF SECRETARY OF TRANSPORTATION RODNEY E. SLATER
BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WARWICK, RHODE ISLAND
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Mr. Chairman, 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 you played a major role in shaping 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 that President Clinton and Vice President Gore recently joined me in proposing.

I want to express my appreciation to you, Mr. Chairman, for introducing NEXTEA in the Senate. I know that last Tuesday you also introduced another major proposal, "the ISTEA Reauthorization Act," and that it shares many goals and themes with NEXTEA. We look forward to working with you on ISTEA's reauthorization during the forthcoming legislative process.

There is no question of the importance of reauthorization. As the President said when we announced our proposal, the bill "will create tens of thousands of jobs for our people, help move people from welfare to work, protect our air and water, and improve our highway safety. This transportation bill literally will be our bridge into the 21st century."

NEXTEA, as far-reaching as it is, was not created in a vacuum: it carries forward many of ISTEA's principles and policies.

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 mobility.

ISTEA emphasized an integrated approach to transportation planning and programming, looking at the different forms of transportation as parts of an interconnected network and bringing together many constituencies and interests which had not previously been part of these decision-making processes. For example, in New Jersey, metropolitan planning organizations have become full partners in transportation program decision-making since ISTEA's enactment.

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

ISTEA 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 Rhode Island, CMAQ has supported incident and congestion management projects, a transportation operations center, and inspection and maintenance program planning and testing. Elsewhere in the northeast CMAQ has supported the Red Hook freight barge, which each day takes hundred of trucks off of New York City's streets, and the Auburn intermodal freight facility in Maine, which takes 12,000 trucks a year off of I-95.

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 furthered by ISTEA's expansion of states' abilities to transfer funds between programs and among transportation modes. For instance, ISTEA funds were used to help support intermodal improvements to the T. F. Green Airport Terminal here in Warwick. In Pittsburgh, the new international airport will be served by a busway which is projected to reduce rush-hour travel times to downtown by 36 minutes.

This support of integrating modes can be seen in smaller ways which also directly improve people's lives: in Acton, Massachusetts, we funded bike racks and lockers at a rail station, enabling Boston-bound commuters to bicycle for part of their trip, improving local air quality and reducing the need for parking.

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. For example, repair of I-95 in Philadelphia, damaged by a fire caused by an illegal tire dump, was completed nearly four weeks early through the use of incentive payments.

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. In Glasgow, Delaware, the deck of a replacement bridge to be built next year on State Route 896 will be made entirely of fiber-reinforced plastic which is lighter, more resistant to corrosion, and longer-lasting. I also understand that the Rhode Island State Department of Transportation will begin using Superpave components next year, and we look forward to seeing its benefits as it is fully phased in.

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, in Rhode Island track improvements to improve rail service will be added to the Amtrak corridor. Using a cash-flow technique known as advance construction, this \$115 million project will be completed a decade earlier than under conventional financing. The project will directly benefit both Amtrak passengers and freight shippers, who will see fewer delays, and indirectly benefit travelers and commercial vehicle operators on I-95, who will see less congestion.

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.

And yesterday I joined Senator Lieberman in breaking ground for the \$410 million reconstruction of I-95 in Bridgeport. Using the technique of partial conversion financing to enable construction to begin a year early, Connecticut residents and interstate travelers will be able to benefit from the rebuilt road sooner.

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 this 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.

Nationally, that increased funding has helped to stabilize or improve many indicators of highway conditions and performance. The condition of highway pavement, which had been deteriorating, has stabilized, and the number of deficient bridges has decreased by nearly 17,000 since President Clinton took office. We have kept pace with our transportation system's maintenance requirements and stopped its deterioration.

Mass transit investment also has increased, enabling us to purchase nearly 26,000 new buses and nearly 600 new rail cars for state and local transit agencies. We also have helped to construct more than 100 miles of new transit lines serving more than 100 new stations. Transit speeds have improved by an average of about 10 percent.

In Rhode Island, this increased infrastructure funding is making possible major improvements such as the \$250 million relocation of I-95 along the Providence River Hurricane Barrier, a project which would free up 23 acres of land in the downtown. I understand that the Rhode Island Department of Transportation is exploring a public-private partnership to help finance, design, and build this project, and we look forward to cooperating with them to leverage public sector resources and reduce the cost to the taxpayers.

This funding is making possible major regional improvements such as the South Station Intermodal Center in Boston, which links Amtrak, commuter rail, and bus service, and which serves as a key link to the Central Artery and to Logan Airport.

The reconstruction of SEPTA's Frankford Elevated Reconstruction Project in Philadelphia, which I visited on Friday, will take place while service continues, and is being funded in part through a grant which I presented.

The Queens Connector in New York, which I also visited on Friday, will increase the number of trains serving Manhattan and save commuters almost eight million hours of travel time every year, and I awarded a grant for this project as well.

And this afternoon I will join Senator Lautenberg to award funding for work on the Secaucus Transfer element of the New Jersey Urban Core Project, which will make commuter rail an even more integral part of that state's transportation system.

It is clear that transit is vital to mobility in the northeast, and ISTEA has made possible an unparalleled commitment to public transportation. ISTEA's greater programmatic flexibility has enabled funding to be transferred to transit and other urban priorities. Over \$3 billion of flexible highway funding was used during the life of ISTEA for high-priority transit projects, increasing overall transit investment under ISTEA to more than \$5 billion in fiscal year 1995 alone.

In the northeast, that has supported such initiatives as the forthcoming restoration of commuter rail operations through Massachusetts' Old Colony service to Boston and the introduction of passenger rail service to Rutland and to Burlington, Vermont.

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

In fact, from 1993 to 1995, 54 percent of funding from the highway account (as opposed to the transit account) went to system maintenance, compared to just half that, 27 percent, for capacity expansion. The balance of 19 percent was devoted to safety programs, to environmental and enhancement initiatives, or was transferred to transit.

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 our population's changing demographics, we want to build on ISTEA's successes.

After you honored me with your vote for my confirmation as Secretary of Transportation, Mr. Chairman, I pledged at my swearing-in to pursue three goals. First, to continue making safety our number-one priority. Second, to invest in our infrastructure to ensure that America's transportation system meets the needs and desires of the American people in the 21st century. Third, to use a common-sense approach to running the Department so that it works better and costs less. With NEXTEA, we are moving to achieve all three goals.

This builds on the effort begun 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, including one in Providence last September, 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 that are working, refine those that 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 \$157 billion during the past six years to \$175

billion for fiscal years 1998-2003, a level of funding consistent with our transportation system's requirements and the need to balance the budget during that same period.

By eliminating certain categories of spending, NEXTEA provides a 30 percent increase in core highway programs, such as those for Interstate Maintenance and the National Highway System. It also includes a 17 percent increase for transit major capital investments.

Mass transit capital investment has been redefined to include preventive maintenance. That would provide local transit operators with the flexibility to decide whether to prolong the life of existing assets, or to purchase new vehicles, facilities, or equipment.

If Congress funds NEXTEA at the levels we have proposed, it would mean nearly \$710 million for Rhode Island over the next six years in formula-based funding alone, and more than \$36.8 billion in the 11 states from Maryland to Maine. 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-Third Harbor Tunnel 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 could 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 which would be generated by this plan could support an estimated one million jobs over the next six years, including 4,800 here in Rhode Island and more than 238,000 in the 11-state northeast region.

NEXTEA would provide direct capital and operating assistance to Amtrak, including funding to continue improvements to the Boston-to-Washington Northeast Corridor. \$4.766 billion would be authorized for the years 1998-2003. NEXTEA also would increase states' ability to use Surface Transportation Program, National Highway System, or transit funds for intercity services.

Separately, NEXTEA would continue to fund research and development of next-generation high-speed rail technologies. This continuing research will lead to Amtrak's introduction of high-speed service between Boston and Washington beginning in 1999. As you know, the electrification work needed to

make this service possible between Boston and New Haven began in July 1996, and is well underway.

NEXTEA also sustains the federal commitment to Intelligent Transportation Systems (ITS), which apply 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 intelligent vehicles incorporating advanced collision avoidance systems and other systems now under development.

In metropolitan areas, these technologies can cut by 35 percent the cost of providing the highway capacity we need over the next decade. These technologies also can improve safety: if all vehicles were equipped with just one of three primary ITS crash avoidance systems -- rear-end, roadway departure, and lane change/merge -- we could prevent one out of every six crashes, more than a million a year.

NEXTEA would support ITS research and deployment through standards creation, 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 initiatives.

We also have proposed a six-year, \$600 million incentive program to promote the integrated deployment of ITS technologies that are technically feasible and highly cost-effective. Some of these efforts are already under way using ISTEA funding; for example, Maryland's statewide traffic management center opened in 1995, and the state also is linking traffic detectors, pavement sensors, and fiber optic systems to improve traveler information on its freeways.

Safety, Mr. Chairman, cannot be emphasized enough. Our transportation system cannot only be about moving people and products efficiently, as important as that is to our prosperity: it must also be about enabling people and products 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, with tragic results for American families and a cost to our economy of more than \$150 billion annually.

ISTEA has helped to make travel safer, supporting programs to prevent drunk driving and to raise safety belt use. In Rhode Island, the fatality rate has been cut nearly in half in just a decade, to a current level of one fatality per hundred million miles traveled, 40 percent below the national average. The state is now considering legislation to strengthen safety belt use and anti-drunk driving laws, initiatives we welcome and support.

The President's proposal would increase funding authorizations for the National Highway Traffic Safety Administration's safety programs 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.

This would support the President's safety belt initiative which I announced last week. This initiative sets a goal of raising safety belt use to 85 percent by 2000, saving 4,200 lives per year, and to 90 percent by 2005, which would prevent more than 5,500 deaths.

NEXTEA also would enable Rhode Island to continue such effective initiatives as the "Cops in Shops" program, through which state and local police enforce the ban on liquor sales to minors.

It would focus on developing and promoting new ways to improve safety through partnerships, such as the Greater Providence Safe Communities Network, which supports such activities as the Buckle-Up Hotline, a trauma registry, and an emergency medical services project in Providence's Hispanic community.

Although we are in the process of reviewing the new study of pedestrian safety by the Surface Transportation Policy Project and the Environmental Working Group, we agree that this is a real concern. Through NEXTEA and through other programs, we want to continue the expanded emphasis we have placed on pedestrian safety through such initiatives as the Partnership for a Walkable America. For instance, we want to sustain our support of pedestrian and bicycle improvements, which can enhance safety. Under ISTEA, our funding of these programs has risen from \$4 million annually to about \$160 million a year.

Mr. Chairman, last week President Clinton submitted a proposal to Congress entitled the "Surface Transportation Safety Act of 1997." Although it is not the focus of my testimony today, I want to emphasize that this proposal is an integral part of our overall initiative to improve America's surface transportation system. It includes provisions to encourage states to adopt "primary" safety belt use enforcement laws, provisions to improve the safety of food shipments and hazardous materials transport, and initiatives to enhance the safety of pipelines, railroads, and mass transit systems. We see these additional titles as an integral part of the safety proposals included in NEXTEA.

I want to note that, while safety must always be our foremost concern, we believe we can make our roads safer without unnecessarily compromising roadside aesthetics and the condition of adjoining landscapes, and we are committed to working with states and localities to do this whenever feasible.

For example, in Pennsylvania pavement "rumble" strips, overhead warning signs, and skid-resistant pavement in the Lewiston Narrows area have reduced fatalities to fewer than a fifth of the total just a few years ago.

NEXTEA enables us to do build on these efforts through such initiatives as those to remove highway safety hazards and to eliminate highway-rail grade crossings. Funding nationally for these efforts, which also include improved intersections, signs, and other enhancements, will increase from \$445 million annually under ISTEA to \$575 million by 2003.

As the President said when he announced NEXTEA, "make no mistake about it, this is one of the most important pieces of environmental legislation that will be considered by Congress in the next two years. And I think it should be thought of in that way."

Our commitment to protecting the environment is seen throughout NEXTEA. As with highway safety, more traffic challenges the progress we have made. More travel could dilute the progress made through cleaner cars, fuels, and programs such as CMAQ. That is why we have to continue, and even expand, the efforts that 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.

It also would continue our commitment to protecting water quality and maintaining America's wetlands. Projects such as the Route 101 wetlands mitigation in New Hampshire, the largest such in the northeast, are proving their importance to our environment and need to be continued.

NEXTEA also sustains 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, the Seaway Trail in New York, and the Kancamagus Scenic Byway in New Hampshire were designated as National Scenic Byways, and Rhode Island has been active in making plans to preserve the integrity of its scenic routes.

ISTEA's Transportation Enhancements program is supporting the Cliff Walk restoration in Newport, train station improvements in Kingston, Westerly, and Woonsocket, the Blackstone River Bikeway Access project, and Woonsocket's Market Square Common bicycle-pedestrian project, initiatives which are relatively low in cost but which improve our quality of life.

ISTEA also supported the restoration of the Woodbridge, New Jersey train station and the redesign of New York's Frederick Douglass Circle, an important gateway to Harlem and other northern Manhattan communities which I visited last October and again this past week. These projects shows how transportation

improvements can enhance the quality of life for all of our citizens, not only those using a given part of the transportation system.

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, creating opportunity for many thousands of Americans. That is important, since two-thirds of new jobs are in the suburbs, only about six percent of welfare recipients own cars, and mass transit does not always serve suburban areas efficiently.

NEXTEA is intended to help bridge this 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, whether they are in suburbs, in cities, or in rural areas.

Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities. We want to build on the efforts of states such as Rhode Island, in which two percent of highway construction workers last year were enrolled in special apprenticeship and training programs.

Under NEXTEA, we also propose to continue providing opportunities for small businesses and for women and minority entrepreneurs. We are encouraged that 12 percent of the federal funds expended in Rhode Island on highway contracts last year went to such firms.

We also want to explore efforts to link mobility and human needs, such as Wilmington, Delaware's proposal to create a riverfront intermodal transportation center which also integrates housing and jobs. I visited the site of this proposed facility last Thursday, and I look forward to hearing about similar initiatives around the country.

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. I know that Rhode Island has applied to use seed money from this program and from its regular federal-aid apportionment to establish a \$20 million bank, and we currently are evaluating its application together with others we have received.

NEXTEA also dedicates \$600 million for an Infrastructure Credit Enhancement Program 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.

Finally, NEXTEA recognizes the need to replace outdated and outmoded funding apportionment factors, and has proposed Highway Trust Fund apportionment formulas that are fair and that relate well to the program's overall national objectives. Recognizing that a sudden change to the formula factors could disrupt ongoing state programs, we also have proposed certain equity adjustments to ease the transition to more accurate distribution of funds.

NEXTEA, in summary, is faithful to what we heard from our constituents: sustain ISTEA's principles, streamline its requirements, increase its flexibility, and raise its funding levels. NEXTEA would help to give Americans what they told us they want: a transportation system that is sensitive to environmental concerns and that enables them to get to their destinations safely, conveniently, and on time. We listened to them, and we learned, and we have produced a proposal which can take America's transportation system into the 21st century, and set our course not just for the next six years, but for the next 60.

As Presidents from Washington to Wilson to Eisenhower knew, transportation unifies a diverse nation, and creates opportunities for people to

pursue their own vision of happiness. President Clinton and I are proud to continue in this tradition of support for sound transportation, and look forward to working with you and your colleagues in Congress during this very important reauthorization process. Mr. Chairman, this concludes my statement. Now, I would be pleased to answer any questions you may have.