

**Summary of the
National Field Hearing:
Improving the Performance
of Our Transportation System**

**National Surface Transportation
Policy and Revenue Study Commission**

**2167 Rayburn
House Office Building
March 19, 2006**

Table of Contents

Opening Remarks	1
Panel 1 — State and Local Elected Officials.....	1
Statement of Supervisor Haggerty, NACo.....	1
Statement of Mayor Peterson, NLC.....	2
Panel 1: Question and Answer Session	2
Panel 2 — User Perspectives	6
Statement of Mr. Lundberg, U.S. Chamber of Commerce	6
Statement of Mr. Darbelnet, AAA	7
Statement of Mr. Cohen, AHUA	7
Panel 2: Question and Answer Session	8
Panel 3 — Managers and Planners	11
Statement of Mr. Horsley, AASHTO	12
Statement of Mr. Verkest, APWA	12
Statement of Mr. Jim McKenzie, AMPO	12
Statement of Ms. Johnson, NCAI	13
Panel 3: Question and Answer Session	14
Panel 4 — Transportation Providers	16
Statement of Mr. Millar, APTA	16
Statement of Mr. Pantuso, ABA.....	17
Statement of Mr. Graves, ATA	17
Statement of Mr. Rockey, Association of American Railroads	17
Statement of Mr. Capon, NARP	18
Panel 4: Question and Answer Session	18
Panel 5 — Infrastructure Providers	21
Statement of Mr. Simonson, Associated General Contractors of America	22
Statement of Mr. Potts, American Road & Transportation Builders Association	22
Statement of Mr. Stephenson, National Waterways Conference	22
Statement of Mr. Jones, International Bridge, Tunnel, and Turnpike Association.....	22
Statement of Mr. McLean, Vehicle Traffic Information Coalition	23
Panel 5: Question and Answer Session	23
Panel 6 — Workforce Issues.....	28
Statement of Mr. Siano, ATU.....	28
Statement of Mr. Brunkenhoefer, UTU	28
Statement of Mr. Kaniewski — Laborers’ International Union of North America	28
Panel 6: Question and Answer Session	29
Panel 7 — Policy Issues	31
Statement of Mr. Skinner, TRB.....	32
Statement of Dr. Greene, ORNL	32
Statement of Ms. Canby, STPP.....	32
Panel 7: Question and Answer Session	32

Opening Remarks

Chairwoman Peters called the meeting to order at 8:26 a.m. She said that the Commission's members share a commitment to transportation and the freedom and opportunity that come with it. She noted that the Commission has held a number of field hearings to hear from those with the most knowledge of how to improve transportation in their communities.

Chairwoman Peters said that the hearing today is an opportunity to hear from national experts on transportation. She noted that she has had the opportunity to speak to many groups such as the National Association of Counties (NACo) and the National League of Cities (NLC). Today, these groups have the chance to speak to the Commission.

Vice Chair Schenendorf welcomed the witnesses and said he agreed with the Secretary's remarks.

Panel 1 — State and Local Elected Officials

Chairwoman Peters introduced the first two witnesses:

- The Honorable Scott Haggerty, member of the Alameda County Board of Supervisors, (California), representing NACo
- The Honorable Bart Peterson, Mayor of Indianapolis, representing NLC

Statement of Supervisor Haggerty, NACo

Supervisor Haggerty said that NACo expects the Federal gas tax to continue to fund the bulk of Federal highway and transit projects through 2009, the duration of the current authorization bill. However, localities need other options to pay for transportation infrastructure, such as public-private partnerships and congestion pricing.

Supervisor Haggerty said that reducing congestion and improving safety are two goals that justify a continuing major role for the Federal government.

He offered the following suggestions for addressing congestion:

1. *Better Decisionmaking* — Decisions on the investment of Federal funds in congested regions should be made in cooperation with regional officials.
2. *More Local Government Input* — Currently, each of the major Federal highway programs has different rules for local government involvement.
3. *Faster Project Approval* — To avoid time-consuming duplication, projects should be required to go through only one environmental review process (i.e., State or Federal process, whichever is stricter).
4. *Better Accountability* — Projects and decision makers ought to have some clear accountability when spending Federal funds for congestion—the projects need to result in demonstrable congestion reduction.

March 19, 2007

5. *Better Incident Management* — Because traffic incidents are a significant cause of congestions, localities should be able to spend Federal funds to minimize the number of incidents and respond quickly when they occur.

With regard to highway safety, Supervisor Haggerty said that rural roads have the highest rate of fatalities per mile traveled of all types of roadways. Therefore, the Federal government should eliminate the restrictions that make rural roads generally ineligible for Federal funds.

Supervisor Haggerty closed by noting the amount of funding that local governments contribute to highway and transit and the challenges that local governments confront in trying to raise additional funds.

Statement of Mayor Peterson, NLC

Mayor Peterson said that the nation's transportation system is critical to economic growth, business competitiveness, quality of life, and national security. He said that providing affordable, reliable transportation requires the active participation of local elected officials.

Mayor Peterson said that keeping the Nation's roads in working order is a monumental task, and one that often gets overlooked. The rehabilitation of major thoroughfares and interstates is time-consuming and expensive, and the maintenance projects can have significant impacts on surrounding businesses. He then cited the example of the "Hyperfix" project during which a major segment of an Interstate highway that traverses the east side of the downtown Indianapolis was closed for only 60 days.

Deleted: our

Deleted: our

Deleted: i

Mayor Peterson said that there is a strong desire locally and nationally to address the Nation's transportation needs in a more holistic fashion. The concept of mobility should include public transit and non-motorized travel. However, the major impediment to achieving a multi-modal and improved intermodal system is funding.

Deleted: our n

User fees, tolls, and congestion pricing are important tools but, in his view, will not be enough to provide the necessary funds. NLC wants to preserve the Federal fuel tax to fund the Highway Trust Fund and support public transportation programs.

Deleted: won't

Mayor Peterson closed by saying that local governments need to have a seat at the table and a say in how transportation investments are made.

Panel 1: Question and Answer Session

Chairwoman Peters noted that a number of States have laws analogous to NEPA, and transportation projects in those States must go through two simultaneous environmental reviews. She asked if projects in those States should only have to go through the stricter of the two review processes, as Mr. Haggerty suggested in his testimony.

Supervisor Haggerty said that this issue has been a concern of his for years. He said he is not asking for a relaxation of environmental rules but merely the elimination of duplicative requirements. He said that having to comply with NEPA and CEQA (California's analogous law) causes increased costs and project delays. Supervisor

Haggerty said that CEQA is more stringent than NEPA, so it should be the one law that project sponsors have to follow.

Mayor Peterson said that NLC is generally in favor of more local control, but he has not thought about this particular issue as much as Supervisor Haggerty. He asked what would happen in States that don't have a law analogous to NEPA.

Deleted: n't

Chairwoman Peters congratulated Mayor Peterson on the Indianapolis "Hyper-fix" project. She then noted that during the period in which the interstate highway system was constructed, decisionmaking was centralized more at the Federal and State levels than at the regional and local levels. She asked what the roles of regional and local governments should be in the future.

Deleted: hyper

Deleted: ,

Mayor Peterson said that he would not want to see a diminishment of the Federal role, but he thinks that there has been a lack of a voice for local governments. He described how Indianapolis has decided to use Federal and local funding to reduce lane-miles for cars to create a pedestrian/bike path through the city. He said he did not think this would have happened without an opportunity for local decisionmaking. Regional decisionmaking has been a good, effective process for the Indianapolis area. He said that local control is essential as the Nation moves to a more multi-modal decisionmaking process.

Deleted: n't

Deleted: we

Supervisor Haggerty said that NACo thinks it is important for local governments to have a voice and a seat at the table.

Deleted: it's

Vice Chair Schenendorf noted that the two witnesses recommended a strong local role in transportation policy. He asked if fund-raising should be part of the future local role. He also asked the witnesses what the Federal government should do to generate additional funds for surface transportation.

Mayor Peterson said that NLC wants to see increased Federal investment. NLC supports an increase in the gas tax, but it is willing to consider alternatives. He said that there is a proven method of transportation funding in this country, and policymakers should make sure that any alternatives are viable and proven to work.

Deleted: we have

Deleted: we

Supervisor Haggerty said that NACo supports an increase in the gas tax and indexing to the rate of inflation. He said that gas prices have increased 30 cents in a few weeks with little public reaction. However, people come "unglued" when the Federal government suggests increasing the gas tax. He believes policymakers need to do a better job of educating the public of the need to increase the gas tax.

Deleted: we have seen

Deleted: We

Supervisor Haggerty said that local governments are willing to consider alternatives to the gas tax. He noted that his metropolitan planning organization (MPO) is considering using congestion pricing financing for a new High Occupancy Toll (HOT) lane network. He also mentioned an Oregon pilot project that is testing a pay-per-mile system. He called the project interesting but mentioned the privacy issues with such systems.

Deleted: OT-

Commissioner Heminger said he wanted to ask about "self-help." He mentioned the recent California bond measure that created a \$40 billion infrastructure fund. The funds are paying for a program that rewards localities that are willing to increase funding

themselves. He asked whether the Federal program should do more to reward those who help themselves.

Supervisor Haggerty said that the successful passage of the bond measure made him proud to be a resident of California. His county is also raising \$120 million of its own through sales taxes. However, now his area is being thought of as one that can solve its own problems, which [he believes](#) is unfortunate and unfair. [In his mind,](#) areas that are willing to increase sales taxes on their own to help pay for transportation should not be penalized. Eighty-three percent of the voters in his county voted to approve a half-cent increase in sales tax. He suggested that voters will approve tax increases when governments tell voters which projects they will fund and then deliver those projects.

Deleted: A

Mayor Peterson pointed out some pitfalls with devolution of the responsibility to raise funds for surface transportation infrastructure. Not every State allows localities to raise revenues without State approval. For example, Indiana is not a home rule state, so localities cannot raise revenues on their own. Also, areas differ in terms of their fiscal capacity. He said localities often see suggestions that local governments can make up the difference when higher levels of government reduce their own contributions.

Commissioner Quinn thanked Mr. Haggerty for mentioning the issue of safety. He said that it is unacceptable that 43,000 people are killed every year in traffic accidents. He asked the witnesses what should be done specifically to reduce highway fatalities.

Supervisor Haggerty said that he comes from an urban county that neighbors a rural county. He said that urban sprawl leads to congested highways, which encourages drivers to divert and drive aggressively on local roads. [He believes the Nation needs to](#) do a better job with land use, [and](#) improve incident response on freeways to maintain traffic flow. [Planners cannot](#) ignore rural roads; they need shoulders, guard rails, and other safety measures. However, [planners](#) need to move people away from rural roads and keep them on the highways.

Deleted: We have

Deleted: . We also need to

Deleted: We can't

Deleted: we

Mayor Peterson said that Indianapolis has used Federal funds to implement traffic calming measures in the city. Also, the city supports the use of red-light cameras, but the State legislature has not yet allowed Indiana localities to use them. He did not wish to see Federal preemption in this area, but the inability to use such cameras is a source of frustration.

Commissioner Geddes said that the Commission has heard a lot about public-private partnerships. He asked the witnesses to address the appropriate role of these partnerships.

Supervisor Haggerty said that he was not sure of the official NACo position, but he supports the use of these partnerships. Government cannot solve all transportation problems. For example, Bay Area Rapid Transit (BART) needs to extend its operations, but this will require \$1 billion. He does not think that the public sector can come up with that much money for the project, but there may be some private entities that would be willing to help build it. [He believes policymakers](#) should not exclude working with these companies, even if they are foreign-owned.

Deleted: of the

Deleted: We

Mayor Peterson said that this is the most important question in transportation right now. He said that these partnerships will play a role in the future, but [transportation agencies](#)

should not rely too heavily on them. He expressed concern that an increased reliance on this tool would lead to an overriding of local land-use decisions.

Deleted: we shouldn't

Commissioner Skancke agreed with Supervisor Haggerty that duplicative environmental requirements were an important issue. He also noted that private entities sometimes acquire land through which transportation infrastructure is planned, driving up the cost of acquiring right-of-way. He asked how localities could better use zoning to prevent this situation.

Deleted: and drive

Supervisor Haggerty referred to his previous comment on public-private partnerships and said that NACo staff had informed him that his statements about the partnerships were consistent with NACo's positions.

In response to Commissioner Skancke's question, he noted that local governments are getting assistance in doing better land use planning. For example, the Metropolitan Transportation Commission (the MPO for the San Francisco area) helps localities plan high-density development near transit stops. Supervisor Haggerty said that there is a need for inter-regional partnerships in addition to MPOs. However, he did not see a larger role for the Federal government in land-use decisions.

Deleted: '

Mayor Peterson agreed that regional cooperation is essential, but that there is not necessarily a Federal role.

Deleted: '

Chairwoman Peters mentioned that during the last reauthorization debate, the Bush Administration had proposed a provision related to right-of-way acquisition, but it did not make it into the final bill.

Deleted: '

Commissioner Cino asked the witnesses to each suggest one recommendation that the Commission should make to Congress.

Mayor Peterson said that there should be more focus on mass transit because it has always been under-funded compared to highways. He also said to make sure that local governments continue to have a role in decisionmaking.

Supervisor Haggerty reiterated his support for indexing and increasing the Federal gas tax, along with more education of voters on the benefits of the tax. He also suggested changing the name of the tax to help reduce public opposition to tax increases.

Commissioner Weyrich noted that Indianapolis once had a "first-class" rail system and asked Mayor Peterson if there are any plans to implement a rapid transit system in the Indianapolis area.

Mayor Peterson said that several years of studies have been completed, and now community leaders just need to make a decision whether to provide rail-based rapid transit. He said that 2007 is the year to make a decision, and he thinks the community will decide to do it. He admitted that community leaders have not yet done a good job of educating the public on the need for the system. Then they will have to find a way to fund it. Indianapolis is considering 100 percent local funding to avoid having to jump through Federal "hoops."

Supervisor Haggerty said that one problem his community has encountered while trying to build a commuter rail system is getting trackage rights from railroad companies. Commuter rail service requires structured running times to establish reliable service. He said that the Federal government could play a role in bringing railroad companies to the table.

Commissioner Busalacchi asked the witnesses to assess the extent to which public-private partnerships could fill the large funding gap that needs to be filled.

Mayor Peterson said that the partnerships are one way to expand the pot of available funding, but they are not a panacea and cannot replace Federal funding.

Commissioner Haggerty agreed with the mayor and said that public-private partnerships do not absolve States or the Federal government of the responsibility to contribute funding.

Chairwoman Peters asked the witnesses if they would support devolution of the Federal role if it included the authority to levy the Federal gas tax.

Mayor Peterson said that local governments would consider this possibility, but they would want to be involved in a serious discussion of the pros and cons of this policy change. He expressed concern that localities working separately would make decisions that make sense for them but that would not add up to a coherent national policy.

Deleted: n't

Supervisor Haggerty agreed with the mayor. He said that the United States has worked very hard to build a national transportation system. He would not want to see the Federal government remove itself completely from transportation policy. California would like to move away from being a donor state, but state leaders would like to keep the current structure.

Deleted: we'd

Commissioner Skancke asked Supervisor Haggerty for his ideas on changing the name of the gasoline tax. Supervisor Haggerty said he would think about it.

Panel 2 — User Perspectives

Chairwoman Peters introduced the second panel of witnesses:

- Mr. Rolf Lundberg, Jr., Senior Vice President for Congressional and Public Affairs, the U.S. Chamber of Commerce
- Mr. Robert L. Darbelnet, President & CEO, the American Automobile Association (AAA)
- Mr. Greg Cohen, President & CEO, American Highway Users Alliance (AHUA)

Statement of Mr. Lundberg, U.S. Chamber of Commerce

Mr. Lundberg said that transportation system is in a state of crisis and is “breaking down.” If not addressed, this crisis will soon begin to hamper economic growth.

The U.S. Chamber of Commerce thinks that the Federal government should have a central role in determining the future of the surface transportation system. The Federal government bears a large share of the responsibility for maintaining and improving the system, either through improving utilization of current system or adding new capacity. There is a Federal role in prioritizing investment in the system. In addition, the Federal government's participation is critical to coordinating interstate infrastructure efforts.

Mr. Lundberg said that the Chamber of Commerce is launching a new initiative called Rebuilding America, which aims to raise the visibility of the transportation infrastructure concerns of its members. The Chamber is particularly focused on companies that have not been previously engaged in the transportation policy debate.

Statement of Mr. Darbelnet, AAA

Rather than suggest what the Commission should do, Mr. Darbelnet recommended three things that the Commission should avoid doing:

1. Do not try to solve the funding problem without thinking about how the funding should be used.
2. Do not underestimate the growing perception that some interests wish to "reverse mortgage" the Nation's roadways. AAA does not oppose all long-term leasing, but it doesn't think the approach is appropriate for all roads.
3. Do not ignore the users of transportation infrastructure. Do not expect the user community to sit on the sidelines during the debate on the future of the surface transportation system.

Deleted: 't

Deleted: '

Deleted: our

Deleted: '

Deleted: '

Deleted: '

Mr. Darbelnet said that users are willing to pay for increased safety, improved reliability, and less congestion. He said that AAA is willing to consider all financing and funding options that are put on the table, but there needs to be a discussion of the purposes for which the money will be used.

Statement of Mr. Cohen, AHUA

Mr. Cohen said that the absence of a clear mission for the Federal highway program has allowed many parties to claim a share of the receipts from highway user fees. AHUA believes that the receipts from highway user fees should be spent only on highways.

Mr. Cohen offered the following three priorities for the Federal highway program:

1. Eliminate the nation's worst bottlenecks.
2. Improve evacuation/exit capability.
3. Improve roadway safety.

Mr. Cohen said that AHUA opposes congestion pricing unless funds are used to add new capacity. The organization is also opposed to congestion pricing schemes that are designed "to engineer people out of their cars." In particular, AHUA is most concerned about the leasing of existing roads.

Panel 2: Question and Answer Session

Commissioner Busalacchi asked the witnesses for their views on intercity passenger rail and mass transit.

Mr. Darbelnet said that transit is part of the solution. One of the big concerns of highway users is congestion, and one way to reduce congestion is to provide travelers with alternative modes of transportation such as mass transit. Mass transit needs to be part of the overall strategy.

Mr. Lundberg said that mass transit is an important component of addressing the nation's transportation needs. He said that the U.S. Chamber of Commerce will provide a more detailed response to the question in writing.

Mr. Cohen said that AHUA thinks that Highway Trust Fund revenues should only be used for projects that provide significant benefits to those paying the revenues. Transit should have a role in the transportation system, especially in high-population, downtown areas. AHUA believes that general funds should be used for any increases in transit funding. Mr. Cohen added that the vast majority of transit is on buses, which also rely on good roadways.

Commissioner Weyrich asked the witnesses for their views on the "[North American Free Trade Agreement \(NAFTA\)](#) highway," which would run from Mexico to Kansas City.

Mr. Lundberg said that increasing the trade between the United States and its NAFTA partners is a top priority for the U.S. business community. He said that the Chamber of Commerce supports the implementation of all of our commitments under NAFTA and any measures that can improve the efficiency of the flow of trade with [the Nation's](#) neighbors.

Deleted: our

Mr. Darbelnet said that the movement of goods is one of the three key goals on which the Commission should focus. Corridors like the NAFTA highway that provide transportation of goods in harmony with other users are part of that.

Mr. Cohen endorsed [Mr. Darblenet's](#) comments. He said there is a need for new north-south routes to complement existing east-west corridors.

Deleted: :

Deleted: the

Deleted: of Mr. Darbelnet

Deleted: that

Commissioner Cino asked for suggestions of "bold moves" that the Commission could recommend that would help the United States maintain its infrastructure and expand capacity.

Mr. Cohen said that the Commission should recommend a user fee increase, which [he believes](#) would provide political cover to the decisionmakers. The Federal highway program would need better performance measures so users have confidence that they will get their money's worth. The Commission could also be bold by "drawing lines on a map" like the Roosevelt Commission did.

Mr. Darbelnet endorsed [Mr. Cohen's](#) comments and said that proposing specific system improvements would help the public understand what they would get for paying extra for using the system. He added that it would be useful to have another name for the gas tax,

Deleted: the

but no one should believe that the public is stupid enough to be fooled by merely changing the name.

Mr. Lundberg recommended that the Commission focus on a performance-based program that is truly multi-modal.

Commissioner Skancke asked how to provide users the accountability and the customer service that they require in exchange for paying higher taxes or user fees.

Deleted: c

Mr. Darbelnet said that users are frustrated with the delays caused by congestion. The United States is losing productivity gains because of congestion. Reducing congestion will benefit both private and commercial users of the system. Improving safety is also important to users. Mr. Darbelnet added that policymakers need to be cognizant of trends in movement of goods; routes to Mexico are important, but we also need routes that accommodate goods movement from Asia through West Coast ports.

Mr. Cohen agreed with Mr. Darbelnet's response. He added that it is "incomprehensible" that the Federal highway program does not have a major congestion relief component.

Planners know congestion relief would help with air quality and greenhouse gas emissions. Regarding highway safety, he suggested challenging States to reduce traffic deaths by a realistic and significant number and rewarding them for doing so.

Deleted: We

Mr. Lundberg cited a need to address the practice of earmarking and a need to make the selection of projects more transparent. He said that we also need to make the connection between infrastructure improvements and productivity gains.

Commissioner Geddes suggested that increasing the gas tax would raise some extra revenues, but it would also cause users to switch to hybrids, more fuel-efficient cars, and transit. Those changes in behavior would in turn translate to less gas tax revenues. He then referred to Mr. Darbelnet's comment that public-private partnerships are not appropriate for all roads. He asked the witnesses for their views on the limits to the use of public-private partnerships.

Mr. Cohen addressed the question of the elasticity of travel demand. He said that recent U.S. experience and experience in Europe does not show large changes in demand in response to increases in the price of fuel. Regarding public-private partnerships, he said that AHUA has been open to using partnerships to build new lanes or to convert High-Occupancy Vehicle (HOV) lanes to HOT lanes. However, he expressed concern about "monopolistic" situations in which politicians and private partners both benefit from a deal that harms road users over the long run.

Deleted: '

Deleted: the

Deleted: the

Mr. Darbelnet said that the Nation needs to get rid of the concerns that planners are "reverse-mortgaging" roadways. He said that the fees charged to motorists must be fair and equitable. Fee receipts should not be diverted to non-transportation purposes. Safety standards must be observed, and leased roads must be maintained at satisfactory levels of service.

Deleted: we

Deleted: we are

Deleted: our

Commissioner Geddes asked if toll increases at the level of inflation would be fair and equitable.

Mr. Darbelnet agreed that increases at the rate of inflation would be fair and might even be insufficient, depending on the initial amount of the toll.

Mr. Lundberg said that the U.S. Chamber of Commerce does not oppose public-private partnerships, but they cannot be a wholesale substitute for Federal funding.

Commissioner Quinn asked how the Commission could get buy-in from system users for its findings.

Mr. Darbelnet said that the Commission should not wait until report is completed to try to get support from highway users. In addition, the Commission should stay focused on congestion, safety, and the movement of goods.

Mr. Lundberg said that the Chamber of Commerce is helping to raise the visibility of transportation issues through a new initiative called "Rebuilding America," and it is bringing a broad set of users to the table. However, if earmarks are driving investment decisions, it will be difficult to get members of the Chamber of Commerce to participate in the debate.

Mr. Cohen said that AHUA had "run afoul" of the House Transportation and Infrastructure Committee in the past for not backing a gas tax increase. However, at that time, AHUA did not have confidence that the money would be spent wisely. He said that the user groups have grassroots that they could mobilize in support of Commission's findings.

Commissioner Heminger asked Mr. Cohen if AHUA supports efforts to improve safety through State laws targeting drunk driving and helmet and seatbelt use.

Mr. Cohen said that AHUA does support safety efforts targeted at driver behavior. The organization is in favor of rewarding States that enact such measures, but it does not support withholding Federal funds to coerce States to pass these types of laws.

Commissioner Heminger asked Mr. Darbelnet for AAA's views on cordon congestion pricing systems like the one in London. He asked if AAA would support allowing urban areas in the United States to experiment with cordon congestion pricing approaches.

Mr. Darbelnet said that AAA has some concerns, but it thinks that the London experience is worth watching. AAA would support experiments with cordon pricing systems in the United States

Commissioner Heminger asked if the U.S. Chamber of Commerce supports an increase on the order of 30 cents per gallon in the Federal fuel excise tax. He said that a recent report from the organization indicated a funding need on this scale.

Mr. Lundberg said that the Chamber of Commerce would consider an increase of that magnitude. That option should be on the table, but other strategies should also be considered.

Vice Chair Schenendorf asked if congestion pricing could be used "universally" to reduce demand, thereby reducing system maintenance costs.

Mr. Cohen said that vehicle miles traveled (VMT) has gotten a dirty name. He said that VMT increases almost in step with GDP. The idea of universal congestion pricing to reduce demand does not consider the economic value of the trips that would be discouraged. He also asserted that cordon pricing only works for “world class” cities like London. Businesses will not leave downtown London, but using cordon pricing in medium-sized U.S. cities would just encourage businesses to leave the cordoned area, resulting in sprawl.

Deleted: n't

Lundberg said that cordon congestion pricing is an option that should be considered. A key to implementing it is the proper use of technology, which the Chamber of Commerce discussed in its recent study.

Vice Chair Schenendorf asked whether congestion pricing is a tool of last resort or something that could be a primary replacement for Federal funding.

The witnesses agreed that it should be a tool of last resort more than a primary funding mechanism.

Chairwoman Peters asked if congestion pricing could effectively encourage non-commute drivers to take their trips outside of peak travel periods.

Mr. Cohen said that congestion pricing could move some trips out of peak periods, but it is important to remember that planners have encouraged trip chaining (e.g., combining trips by doing errands on the way to or from work).

Deleted: '

Deleted: we

Mr. Darbelnet said that the effectiveness of that approach would depend on how many trips are really optional or flexible. He also noted that congestion itself discourages non-commute trips during peak travel periods.

Mr. Lundberg agreed that some trips could be re-arranged to avoid peak travel periods.

Panel 3 — Managers and Planners

- Mr. John Horsley, Executive Director, the American Association of State Highway and Transportation Officials (AASHTO)
- Mr. William A. Verkest, PE, President, the American Public Works Association (APWA)
- Mr. Jim McKenzie, Executive Director of Metroplan (Arkansas), representing the Association of Metropolitan Planning Organizations (AMPO)
- Ms. Jean Godwin, Executive Vice President, the American Association of Port Authorities (AAPA)
- Ms. Jacqueline Johnson, Executive Director, the National Congress of American Indians (NCAI)

Statement of Mr. Horsley, AASHTO

Mr. Horsley said that he is focusing his comments on revenue options. He said it now appears that the Federal highway program faces a funding crisis beginning in fiscal year 2009 and accelerating dramatically in fiscal year 2010. The Federal transit program could suffer similar shortfalls in fiscal year 2012.

Citing recent price increases for construction commodities, Mr. Horsley said that restoring the purchasing power of the Federal highway program would require a funding level of \$73 billion by 2015. Total national spending on highways will have to increase to \$160 billion by 2015. To generate the needed revenues, Federal fuel taxes would need to be increased by 10 cents per gallon.

To restore the purchasing power of the Federal transit program, Federal funding would have to increase to \$17.3 billion in 2015. State and local governments would have to increase their contributions to \$21.1 billion.

Mr. Horsley then described some short-term and long-term options for generating sufficient revenues to meet these funding levels. He finished by outlining a proposal for a Transportation Revenue Advisory Commission, which would make financing recommendations to Congress that would receive an up-or-down vote with no opportunities for amendments.

Deleted: s

Statement of Mr. Verkest, APWA

Mr. Verkest first addressed two broad areas of interest for APWA members. First, APWA believes that there is a critical need for more Federal funding to build and maintain highways and other major roadways. Second, there is an urgent need for more State and Federal funds for improvements to local roads.

Mr. Verkest then offered the following policy recommendations:

- *Motor Fuel Taxes* — Increase the gas tax and index it for inflation.
- *Public-Private Partnerships* — Expand the use of financing mechanisms such as public-private partnerships, tolling, congestion pricing, and “pass-through financing.”
- *Utility Systems as Model* — Consider the model of enterprise funds that are currently used by public utilities to finance capacity increases.
- *Vehicle-Mileage Fees* — Continue development of fee systems based on VMT.
- *Reward Localities* — Reward communities that take steps to raise local funds for transportation system improvements.

Statement of Mr. Jim McKenzie, AMPO

Mr. McKenzie said that his comments reflect his own thoughts and do not represent the positions of AMPO. He said that the national vision for transportation at this time should be energy independence. He said that the public would accept an increase in gas tax if it were part of an energy strategy for the country.

Mr. McKenzie then turned to the issue of congestion in metropolitan areas. He said that 75 percent of congestion is in the 20 largest metropolitan areas. If we want to solve congestion, these large metropolitan areas should have the same resources and authority currently given to State DOTs. He said that the United States needs to build new institutions at the metropolitan level that are fully equipped with the tools to handle the demands placed upon them. He noted that the Federal government cannot mandate the formation of these new institutions, but it could provide financial incentives to States and metropolitan regions to create them.

Statement of Ms. Godwin, AAPA

Ms. Godwin said that SAFETEA-LU contained a number of provisions that will lead to infrastructure improvements that reduce congestion and improve goods movement. However, there are more measures that the Federal government should take to ease the movement of freight in and out of U.S. ports, such as:

- *Intermodal Connectors* — It is important to create a Federal program that dedicates funding in each State to improving access routes to freight terminals. are essential to moving freight in and out of the ports
- *Projects of National and Regional Significance* — SAFETEA-LU did create a program to fund this type of project, but Congress earmarked all of the funds.
- *Freight Coordinators* — AAPA would like to see a requirement that States appoint a freight coordinator.
- *Tax Credit for Rail Investments* — AAPA endorses the proposal for a tax credit for rail infrastructure investments that increase capacity.
- *Financing* — AAPA supports the AASHTO revenue bond proposal. Taxes on container shipments bring up complicated trade and constitutional issues and should be considered carefully.

Statement of Ms. Johnson, NCAI

Ms. Johnson said the 56,000-mile system of Indian Reservation Roads (IRR) and bridges is the most underdeveloped road network in the country. Over two-thirds of the roads are unimproved dirt or gravel roads, and less than 12 percent of IRR roads are rated as “good.” She cited a recent study that found that Indian tribes suffer the highest per-capita traffic fatality rate in the nation; it is more than four times the national average.

Ms. Johnson asserted that the current funding scheme for surface transportation precludes Indian tribes from participating on an equitable basis. She said that the IRR program receives only half the amount per mile that States receive.

She said that ability of tribes to tax fuel on tribal lands has been severely diminished by the U.S. Supreme Court. Only a few States have worked with tribes to negotiate fuel tax revenue-sharing agreements.

Given the dire condition of reservation roads, NCAI believes that any new funding scheme should address the inequity in highway funding for tribes. If fuel taxes remain the main source of funding for road construction and maintenance, the Commission should recommend that Congress clarify the authority of tribes to collect fuel taxes on tribal lands.

Panel 3: Question and Answer Session

Commissioner Weyrich asked Mr. Horsley if AASHTO's recommendations, taken together, would be sufficient to meet the funding needs of the nation's transportation systems.

Mr. Horsley said it would be a good start, but more funding would still be needed to meet the needs identified in the FHWA Conditions and Performance Report.

Commissioner Busalacchi said he read the AASHTO report over the weekend and recommended that all of the Commissioners read it as well. He noted that the report addresses the political atmosphere in which future transportation policy decisions will be made. He asked Mr. Horsley to describe the AASHTO recommendation to establish a Transportation Revenue Advisory Commission.

Mr. Horsley said that the proposed commission would be similar to the Base Closure and Realignment Commission. It would systematically review current rates, gas taxes, and other user fees and then make recommendations to Congress. The recommendations would go forward, unless Congress chose to object to the recommendations. In his mind, this may be a way to insulate Members of Congress from the political fall-out of tax or fee increases.

Deleted: T

Deleted: m

Commissioner Cino asked Mr. Horsley why AASHTO's analysis assumes that increased use of tolling and public-private partnerships does not reduce the need for Federal funding at all. She asked why Federal funding could not be replaced to some extent by these other funding sources.

Mr. Horsley said that AASHTO assumed that the Federal contribution to capital investment would remain at 45 percent and that increases in toll revenues would help localities pay their share of funding. He said that AASHTO would not support the use of toll increases to offset some of the Federal government's share of the costs.

Commissioner Geddes asked Mr. Verkest about APWA's recommendation that transportation decisionmakers look at the use of enterprise funds by utility systems.

Mr. Verkest said that APWA recommends that States and localities look at transportation funding in the same way that cities look at utility systems and enterprise funds. The essence of this approach is that a portion of revenues is used to finance bonds for needed improvements or expansions of the assets of the enterprise.

Vice Chair Schenendorf asked Mr. Horsley for AASHTO's position on implementing tolling on roadways that are currently free and its position on using toll receipts for non-transportation purposes.

Mr. Horsley said that AASHTO would like States to have options to use at their discretion. He noted that the last three reauthorization bills have given States the option to toll existing free interstate lanes, but none has chosen to do so yet. With regard to the use of toll receipts, AASHTO's position is that the receipts should be used for transportation purposes.

Commissioner Heminger said that he was not sure that simply providing more funding for the current programs would be meaningful. He asked the witnesses what the new missions of the Federal programs should be. He cited freight movement and energy independence as two possible examples.

Mr. McKenzie said that since [Intermodal Surface Transportation Efficiency Act \(ISTEA\)](#), many people have been making the case for more money, but they have not verbalized a compelling national interest. Federal surface transportation programs have evolved into a revenue-sharing program with earmarking becoming increasingly more dominant. The Federal programs should be geared to address compelling national interests; energy independence and freight mobility are good candidates, because they are national problems. The Federal program should focus on national problems and allow States the flexibility to come up with solutions.

Deleted: '

Mr. Horsley said that AASHTO thinks that the Federal program was well-designed under ISTEA. It had a clear statement of purpose, but the problem-solving process was set at the State and the MPO levels. Mr. Horsley added that the United States needs to do better on freight to remain competitive in the global economy. He said that AASHTO supports new revenue sources outside the Highway Trust Fund that would address national interests. For example, the United States needs a new Federal program to assist the development of multi-State corridors for rail passenger service.

Commissioner Heminger noted the importance of two of the words in the title of ISTEA, "intermodal" and "efficiency." He said that the United States has not made much progress in achieving either of those objectives. He asked Mr. Horsley if there is a need to express the purposes of the Federal program more definitively.

Mr. Horsley said that he is aware of the Commission's interest in creating a more performance-based system. He noted that AASHTO is working on a project on that topic.

Chairwoman Peters asked Ms. Johnson if Arizona has an agreement with the Indian tribes regarding the taxation of fuels. She asked if the tribes would support a similar arrangement with the Federal government.

Ms. Johnson said that the tribes would be interested in such an arrangement if it did not amount to double taxation. She said that most tribes do not currently have taxing schemes available to them.

Chairwoman Peters asked Mr. Horsley about the AASHTO Build America bond proposal.

Mr. Horsley said that the bonds would generate enough revenue to self-liquidate. He said he would provide more information to the Commission in writing.

Chairwoman Peters asked Ms. Godwin what could be done to improve the productivity of U.S. ports.

Ms. Godwin explained that there are a number of reasons why U.S. ports appear to be less productive than foreign ports. There are different types of ports; for example, some Asian ports primarily handle trans-shipments. Also, foreign ports face different land use

and environmental requirements. She said that there are some things that U.S. ports could be doing to improve productivity, and they are trying.

Mr. Commissioner Busalacchi asked Ms. Johnson what the Federal government could do to improve tribal roads.

Ms. Johnson recommended improving the participation of tribal governments in local transportation planning. She cited Arizona as a State that has made progress in this area.

Panel 4 — Transportation Providers

Chairwoman Peters introduced the fourth panel of witnesses:

- Mr. William W. Millar, President, the American Public Transportation Association (APTA)
- Mr. Peter J. Pantuso, President & CEO, the American Bus Association (ABA)
- The Honorable Bill Graves, President & CEO, the American Trucking Associations (ATA)
- Mr. Craig F. Rockey, Vice President for Policy and Economics, the Association of American Railroads (AAR)
- Mr. Ross B. Capon, Executive Director, the National Association of Railroad Passengers (NARP)

Statement of Mr. Millar, APTA

Mr. Millar said that the core functions of the Federal transportation program should be to promote commerce and the common good of its citizens, which are both enumerated in the Constitution. He then described how public transportation provides for the common good of citizens and how Federal funding for public transportation has been a catalyst for investment from other sources.

Mr. Millar recommended the following strategies for Federal transportation programs in the future:

- Continue and increase strong Federal investment in the nation's transportation infrastructure
- Increase the fuel tax and index it for inflation while developing [a](#) new funding mechanism
- Maintain the guarantees that assure that authorized Federal funds are actually appropriated for transportation programs
- Encourage public-private partnerships and innovative financing mechanisms to supplement other funding sources
- Streamline and expedite project delivery

Statement of Mr. Pantuso, ABA

Mr. Pantuso began by describing the current role of the motorcoach industry in the U.S. transportation system. Motor coaches move nearly as many passengers as the airlines do. Coaches relieve congestion because they take drivers off the road. Coaches are the most energy-efficient mode of travel, and they receive very little in public subsidies.

Mr. Pantuso said that ABA sees three main challenges that the Commission must face:

1. The congestion that is hindering our mobility and creating hazardous road conditions,
2. Environmental and ecological concerns, and
3. The need to extend the surface transportation network while reducing the relative financial burden on the Federal government.

He then described how the motorcoach industry could help in each of these areas.

Statement of Mr. Graves, ATA

Mr. Graves's testimony focused on the steps that are necessary to allow the trucking industry to continue to move the nation's freight safely and efficiently. Mr. Graves said that Congress and the States currently view the Federal highway program as simply an opportunity to address parochial interests. Attempts to focus on national priorities tend to get lost in the battle for greater State apportionments and earmarks for local projects.

ATA believes that the Federal government must adopt a new mission: to provide the leadership and resources necessary to facilitate the safe and efficient movement of goods on the nation's highway system. A new program focused on goods movement should be established and segregated from other surface transportation programs. ATA is also calling for construction of a new network of truck-only highways. This network would be built adjacent to highway corridors that currently have high volumes of truck traffic.

Regarding possible sources of funding, Mr. Graves said that ATA endorses a "reasonable" increase in the fuel tax, as long as the revenues are dedicated to the programs described above. ATA does not believe that tolls are a viable source of financing for the proposed truck network. Similarly, because of certain characteristics of the market for freight transportation, congestion pricing is not an appropriate mechanism for regulating travel time choices of trucking companies. ATA also opposes the leasing of existing highways to private interests and implementation of tolling on existing interstate highways.

Statement of Mr. Rockey, Association of American Railroads

Mr. Rockey said that the United States cannot prosper in the global economy if freight railroads are unable to help meet the nation's growing transportation needs. He said that freight railroads are finally beginning to show signs of financial sustainability, which means that they can more easily justify and afford the massive investments needed to add enough capacity to meet projected demand.

Mr. Rockey said that policymakers should take steps to assist railroads in making these investments and should avoid actions that would hinder the railroads. He said that policymakers could take greater advantage of public-private partnerships for freight railroad infrastructure projects. They could also enact tax incentives for rail infrastructure projects that increase capacity.

Statement of Mr. Capon, NARP

Mr. Capon described the energy efficiency benefits of rail travel and the biases in Federal policy against rail travel. He said that this bias must be eliminated by providing Federal matching funds for intercity passenger rail projects. He also described the role that intercity passenger rail could play in creating a more intermodal transportation system for passengers.

Panel 4: Question and Answer Session

Chairwoman Peters said that airline and highway passengers pay their share through user fees, but rail passengers do not. She asked the witnesses whether they agreed with that assertion.

Mr. Capon said that the United States is a Nation of travelers, and that Americans all use different modes on different days. He said that it is not useful to think of travelers as only using one mode. Mr. Capon said that if the United States had set up a trust fund for passenger rail back in the 1930s, there would not have been a decrease in passenger rail use.

- Deleted: we are a
- Deleted: n
- Deleted: we
- Deleted: we
- Deleted: would not have seen the
- Deleted: we have seen

Chairwoman Peters asked each witness to recommend two things that the Federal government should do and two things it should not do.

Mr. Millar said that the Federal government should work toward a multimodal transportation system and should continue providing funding. He said that the Federal government should reject “uni-modalism” and should not make it even more complicated to get transportation infrastructure built.

Mr. Pantuso agreed that the Federal government should work toward more of a multimodal surface transportation system. He said that the Federal government should help improve the linkages among the different modes.

Mr. Graves said that the Federal government should consider the needs of freight industry and should look past the typical six-year reauthorization schedule.

- Deleted: 6

Mr. Rockey said that the Federal government should encourage investment in the railroad industry and should not limit the ability of the railroads to innovate.

Mr. Capon said that the Federal government should not let the national passenger rail network die.

Vice Chair Schenendorf asked Mr. Millar how much funding would be needed to double the capacity of the nation’s transit network. He also asked what the long-term goal of the Federal transit program should be.

Mr. Millar said that the Federal government should increase funding enough to get its average share of project costs back up to 80 percent. He said that over the long run, the Federal government should provide funding that grows over time and is guaranteed. He added that it is important to differentiate between capital and operating costs. Currently, the Federal government helps with capital costs, but the local governments pay the cost of operating a transit system. He said he would provide a more complete response in writing.

Deleted: fuller

Vice Chair Schenendorf asked Mr. Rockey if the Federal government should try to increase the market share of rail in the freight transportation market.

Mr. Rockey said that it is in the nation's interest to encourage the shipment of freight by rail because of the environmental and safety benefits. He said that AAR would not want to see railroads lose market share as a result of Federal policymaking.

Mr. Graves noted that the trucking industry has a vested interest in the rail industry's ability to move freight because of the increase in intermodal shipments.

Mr. Heminger asked Mr. Graves and Mr. Rockey why ATA supports the use of Federal infrastructure trust funds while AAR does not.

Mr. Rockey said that a trust fund is logical for modes that use public facilities. Railroads own the rail infrastructure, so they want to be able to invest in their facilities as they see fit. Railroads think they know best how to improve capacity.

Mr. Graves said that ATA does have some "heartburn" with some of the "diversions" of Highway Trust Fund revenues, but the organization continues to support the use of trust funds.

Commissioner Geddes suggested that there is an imbalance among the modes, because the highway user incurs no marginal cost for each use of the roads. This leads to over-use of the highways relative to other modes. He asked Mr. Millar and Mr. Pantuso to comment on this observation.

Mr. Millar agreed with the observation. He said that tolling might allow us to get better use out of scarce urban highway resources, but it is fraught with political difficulties.

Absent that policy change, policymakers should continue to invest in other modes. He believes policymakers should start treating the various modes of transportation as parts of the same network and recognize the benefits of each mode.

Deleted: we must

Deleted: We

Deleted: need to

Mr. Pantuso said that ABA does not have a position on merits of gas tax versus tolling. He said that the best solution is to find ways for different modes to work together in the most seamless way possible.

Commissioner Skancke asked Mr. Millar if there are problems with project delivery in the FTA New Starts program and if he would submit more information to the Commission on that issue.

Deleted: c

Mr. Millar agreed to do so.

Commissioner Skancke asked Mr. Capon if rail passengers would pay more if rail passenger service were more reliable.

Deleted: c

Mr. Capon said that reliability is an issue. He noted that Amtrak's yield has been going up steadily.

Commissioner Skancke asked whether the modes have to be competitors or if they are capable of cooperating.

Deleted: c

Mr. Millar said that each mode needs to give a little and that the Federal government can encourage that compromise.

Mr. Capon observed that the most effective State passenger rail program is in California, and that is mostly due to the fact that the bus systems are coordinated with the trains. Some level of cooperation is important for all modes to succeed.

Mr. Pantuso said that the modes do compete with each other, but they also complement each other. For example, a large portion of the commuters in Washington, D.C., who take a commercial bus also use some other mode.

Mr. Graves said that he has been impressed by the collaborative spirit among representatives of the different modes.

Mr. Rockey said that trucks are competitors of railroads, but they also share a large number of loads.

Commissioner Cino asked Mr. Capon about the cost-effectiveness of overnight intercity passenger rail. She noted that a report by the U.S. DOT Inspector General said that overnight routes require large per-person subsidies.

Mr. Capon said that he does not agree with the numbers in the Inspector General's report. He also noted the network benefits of the passenger rail system. If routes are discontinued, then the remaining routes are less valuable.

Deleted: you

Deleted: routes

Commissioner Weyrich asked Mr. Millar what portion of the U.S. population has access to high-quality transit service.

Mr. Millar said that high-quality transit service is available in small amounts in about 30 cities. It is available in large amounts in a few cities.

Commissioner Weyrich asked Mr. Capon for examples of train routes that went from low ridership to high ridership.

Mr. Capon cited the Capital Corridor line near Sacramento. He said that it didn't exist 20 years ago, but it is now carrying 1 million passengers per year. The San Joaquin valley is a second example.

Commissioner Busalacchi complimented AAR on its reports. He then said that he foresees a future dispute between freight rail and passenger rail service over access to and control of rail capacity. He asked the witnesses for suggestions on improving freight and passenger rail service at the same time.

Mr. Rockey said that he does not foresee the big problems that Commissioner Busalacchi described. He said that the freight railroads have cooperated with passenger rail systems across the country. However, there is a tension because capacity is limited. Mr. Rockey said that freight railroads do not think that they should have to pay for additional rail capacity merely to accommodate passenger rail services. AAR's perspective is that if freight is bumped from the railroads, it ends up back on the highways, which creates more of the problem we are trying to avoid.

Mr. Capon said that the freight railroad companies have been more cooperative in recent years. He cited the example of the MetroLink rail service in southern California.

Mr. Rockey said that if freight rail gets bumped for passenger rail service, then the freight will be back out on the roads, which will defeat the purpose of encouraging passenger rail service.

Mr. Millar said that policymakers need to find an acceptable way to resolve disputes between passenger and freight rail services. He said that APTA understands that the rails are private assets of rail companies.

Deleted: we

Commissioner Heminger asked how the United States could increase freight rail capacity to handle increases in international trade while also increasing use of passenger rail.

Mr. Millar said that the Federal government should invest in projects of national and regional significance like the Chicago CREATE program. The Federal government could also change the incentives so that freight railroads see passenger rail service as beneficial.

Mr. Rockey said that the freight railroads are already working at near-full capacity. Passenger trains do disrupt the operations of the freight railroads; for example, they operate at a different speed than freight trains. He said that the freight railroads make decisions with shareholders in mind. Capacity projects that help passenger rail service but don't offer a return on investment for the freight railroads should be publicly subsidized.

Panel 5 — Infrastructure Providers

Chairwoman Peters reconvened the hearing at 1:53 p.m. and introduced the fifth panel of witnesses:

- Mr. Ken Simonson, Chief Economist, the Associated General Contractors of America
- Mr. Charlie Potts, First Vice Chairman and CEO of Heritage Construction & Materials, representing American Road & Transportation Builders Association
- Mr. Guy Stephenson, Senior Vice President and Legal Counsel of Weyerhaeuser, Inc., and Mr. Fred Rickert, Vice President of the National Waterways Conference

- Mr. Christopher A. McLean, Counsel, the Vehicle Traffic Information Coalition
- Mr. Patrick D. Jones, Executive Director, the International Bridge, Tunnel, and Turnpike Association

Statement of Mr. Simonson, Associated General Contractors of America

Mr. Simonson focused his comments on the cost increases in construction. These increases have been in the 10 to 11 percent range per year in the last few years, rather than the prior 4 to 6 percent increase. He expects inflation to run high for the next few years. Growth in China, India, and elsewhere will keep demand high.

Statement of Mr. Potts, American Road & Transportation Builders Association

Mr. Potts said that there is a direct correlation between transportation infrastructure and quality of life. An increase in funding is necessary to maintain the U.S. strategic dominance in the world. He said that India and China and the [countries of the former Soviet Union](#), are not arguing about whether there should be a strong Federal role. In his opinion, [no one](#) should not expect the private sector to fund this. The United States must face the immediate challenge. Citing estimates that the unfunded difference in needs is currently \$19 billion, he said that a fuel tax increase of 8.5 cents in 2010, with growth, would be necessary to meet the Federal government's documented needs. There is also a large need for public transportation funding increases.

Deleted: USSR

Deleted: we

Mr. Potts said that the needs of freight should drive the new Federal highway program. He recommends that the new program should consist of a new "Critical Commerce Corridors" ("3C") program, and the existing program, be robustly funded. He believes that breaking down these two programs will clarify the links between the funding and the projects they fund. The 3C program should be partially based on several different freight-based user fees.

Statement of Mr. Stephenson, National Waterways Conference

Mr. Stephenson emphasized the lack of support for waterborne freight, saying that using waterways more could help solve global warming. He said that [Americans](#) live in a truly intermodal world, and [they](#) should take advantage of all modes. In his opinion, a fully integrated transportation policy has three elements, highway, rail, and water transportation. If the United States truly uses these modes, it will have the most environmentally sound transportation system in the world. This would mean improving the connections between rail, highway, and ports.

Deleted: we

Statement of Mr. Jones, International Bridge, Tunnel, and Turnpike Association

Mr. Jones focused on three points in his written testimony. The first point was that tolling should be a part of the larger funding plan, though it should not replace the fuel tax. The second is that his organization supports tolling in general, and private funding for infrastructure. He believes that opponents of tolling are blocking necessary transportation system improvements by using words like "foreign," "private," and "profit" to stand in the way of entrepreneurs and investors.

He said that some of the recent private purchases and leases of infrastructure has been considered "cherry picking," but that in reality, these are facilities that people are willing to pay for, but the public sector has been unable to garner the support to pull in revenue to maintain them.

His third point was that new tolling technology presents the United States with tremendous potential for improving the transportation system.

Statement of Mr. McLean, Vehicle Traffic Information Coalition

Mr. McLean represents a coalition consisting of automobile manufacturers, suppliers to the auto manufacturers, traffic data collectors, dynamic data companies, emergency communications system designers, and disseminators of real-time traffic data to drivers. Mr. McLean testified that there are an increasing number tools available to help drivers understand, cope with and route their way through traffic, including [Global Position Satellite \(GPS\)](#) location technology, on-board [Geographic Information System \(GIS\)](#) computing power, satellite, radio and wireless communications with real-time road, weather and traffic conditions. These technologies give drivers the ability to know where they are going and what they face. This improves the driver's experience of traffic as well as general traffic flow in the aggregate, as drivers optimize their travel.

Panel 5: Question and Answer Session

Commissioner Busalacchi said that the commission has heard a lot about the needs of the country, which are great. He asked if the fuel tax is viable for the short term. Is it something we need to change? Are public-private partnerships (PPPs) needed to solve the problem? He said that he always hears about tolling, and he is from a State where there are no tolls, and he is on the record about PPPs.

Deleted: '

Mr. Simonson said that he hears that while the [Highway Trust Fund \(HTF\)](#) will last through 2009, this does not factor in the increases in costs for projects that have already been awarded. So he thinks the United States needs to adopt additional funding mechanisms, but does not have a position on what those need to be.

Deleted: of AGC

Deleted: TF

Deleted: n't

Mr. Potts of ARTBA said that he has felt for a long time that the system has served [the Nation](#) well. The improvements to the system should be in a separate fire-walled category.

Deleted: we have

Deleted: us

Mr. Robinson of NWC said that waterways are incredibly efficient compared to other modes for freight. Instead of looking to innovate ways to fund freight transportation, he recommends looking at different modes.

Mr. Jones of IBTTA referred to the study by the Transportation Research Board (TRB), which recommended increasing the fuel tax, then moving to other fund sources for different items. He said that a lot of people talk about large increases in fuel tax, up to \$1 per gallon, and that would solve a lot of problems. He sees a lot of private interest in the system, and said that PPPs are responding to the absence of the increases in the fuel tax.

Commissioner Weyrich asked Mr. Stephenson if he believes that the projected deficit is in fact real and whether it can be justified.

Mr. Stephenson replied that there has been a huge increase in container imports. Fifty percent of all imports come through the Los Angeles – Long Beach port. He pointed out that planners have to find a way to move eight million containers a year away from that port, because 70 percent of them leave California and go elsewhere. NWC's position is that this system is easily evident, and it is a very efficient way to move cargo. The United States can look at it as an intermodal system, with highways, waterways and rail providing the role they can.

Deleted: 8

Deleted: right under our noses

Deleted: 's

Deleted: , very

Commissioner Cino said that after reading testimony, it was devastating to hear Mr. Simonson talking about controlling the cost of construction, and talking about an increase of \$1 per gallon, rather than 10 cents, and intermodal issues. She asked how much would the gas tax need to increase, and how do we continue to work with elected officials and the public. She also asked panelists to give their take on what the governors of New Jersey and Pennsylvania are doing. Both of whom are exploring the possibility of leasing their roads.

Deleted: , who are saying they're going to

Deleted: e

Deleted: ;

Mr. Potts of ARTBA said that coming from Indiana, he could speak to the leasing issue. The governor of Indiana recently wanted to implement a plan for system expansion, and leasing the toll road became the best way to go about doing that. However, he said that it is not the answer for every State, since not all States have roads to be leased. Additionally, even though Indiana has a very comprehensive State plan, it ends at the State line, and without a national plan, it can only go so far. He said that there is a need for some leadership and direction at the national level.

Mr. Simonson of AGC said that he hopes that money that is generated would go back into other highway projects.

Mr. Jones of IBTTA said that States face a crippling lack of funds, but that they should definitely invest proceeds from a lease into transportation assets. Indiana and Chicago decided to do something creative and innovative, and Indiana decided to set aside the assets, while Chicago decided to do something else with those assets. He cautioned those who want to put a limitation on the proceeds of leasing, saying that last year, Berkshire-Hathaway made \$10 billion, and he did not think that company would appreciate being told where to invest their proceeds. In his opinion, it is a small difference between telling States how to invest their proceeds and telling corporations where to invest theirs. He sees groups that are trying to improve the transportation system in innovative ways, and he would not want to impose requirements on them that aren't imposed on other parts of the economy.

Deleted: we

Deleted: n't

Deleted: it's

Deleted: step away from t

Deleted: into

Deleted: n't

Commissioner Cino asked if there would be more of an appetite for leasing if the proceeds were dedicated to transportation needs as such.

Mr. Jones of IBTTA said that he can not anticipate what cities will do with future assets. Some people refer to "cherry-picking" in terms of the Chicago Skyway and the Indiana Tollway. He said that if one talks about picking an asset where there is potential for great success, then yes, that is cherry-picking. But he suggested that today's system has created these cherries. National and State assets are hugely under-valued, and grossly underpriced. The reason these cherries exist is because the system is not providing adequate resources.

Deleted: 't

Deleted: you're

Deleted: ing

Deleted: they have

Deleted: 's

Deleted: the

Deleted: we have today

Commissioner Skancke asked about project delivery, saying, if that if planners could complete, a project in two years instead of 20, could the gasoline tax be lowered?

Deleted: we could do

Deleted: 2

Deleted: we

Deleted: lower the gas tax?

Mr. Simonson of AGC said that there are a lot of aspects to project delivery time. Some of the administration's proposals on project delivery made it into SAFETEA-LU. He cautioned that more and more projects are happening in busy areas with a lot of congestion, so the hours to build projects are less available. According to Mr. Simonson, it takes two hours to shut down a road, and two hours to open it up again. So if construction projects could expand beyond the remaining time window, workers could get a lot more done. On the one hand, there would be faster project delivery, but a heavier burden on the public.

Deleted: they

Commissioner Skancke asked a follow-up question on cherry-picking, saying, when policymakers lease something off to the private sector, is that project still a part of the Nation's highway system?

Deleted: we

Deleted: n

Deleted: al

Mr. Jones of IBTTA referred first to Commissioner Skancke's question on project delivery. He said that project delivery is an area where tolling and user charges can play a critical role. IBTTA believes that toll roads are safer, more efficient, quicker to construct, and better maintained than other facilities, because private companies have to satisfy bond-holders. But in his opinion, there is often not a lot of scrutiny on publicly funded projects.

On cherry-picking, Mr. Jones said that regardless of who owns them, toll roads are part of the transportation system in this country. He said that there are different models for how to make the transportation system succeed. Other countries such as Germany and South Africa have a national system that is a result of a series of concessions. He does not see a contrast between a privately and a publicly operated facility.

Deleted: national

Deleted: n't

Commissioner Geddes said that Mr. Jones of IBTTA had couched this issue in sensible terms. The Commissioner asked him if he would recommend that the commission make a sharp distinction in their report between PPPs with existing assets versus those to be built.

Deleted: c

Mr. Jones said they should not differentiate new versus existing assets in their report.

Commissioner Geddes cited a speaker in the United Kingdom who said the United States got off on the wrong foot by doing Brownfield PPPs.

Deleted: b

Mr. Jones of IBTTA quoted a book, *The Gift of the Red Bird*, which he recently read, concluding by saying, "I never saw more than I was willing to risk seeing." He pointed out that both Brownfield and Greenfield projects can be adequately done, and can both provide a return on investment. European countries have done both, going public to private and the reverse, and doing some projects that were Greenfield projects. He questioned why there has to be a distinction in the United States.

Deleted: b

Deleted: g

Deleted: In Europe, they've

Deleted: g

Deleted: ,

Deleted: and h

Deleted: we have to make

Deleted: there

Deleted: vs.

Commissioner Geddes asked about the issue of the funds paying out over time versus a lump sum at the outset. He suggested that one way to avoid that question would be to create some sort of revenue-sharing agreement over time. He asked if this makes sense to Mr. Jones, and more generally, whether this commission should provide guidance on contract structure.

Mr. Jones said that the United States is in the early stages of privatization, and it does not make sense to make rules to control a phenomenon that in 10 years will seem unimportant. In his opinion, one role for this commission would be to create a vision for the future in which leaders do not have to require that people re-invest, but they do it because it's such a powerful and compelling transportation system. He does not think planners should worry about constraining something that will seem miniscule in the end.

Deleted: we are...n't...we don't have to...rather they want to ... [1]

Commissioner McArdle asked Mr. McLean why vehicle information was not included in the new iPhone. He wondered why the public sector should develop it if the private sector is not.

Deleted: , if ...was all that important, would it not be in the new iPhone that Steve Jobs developed? Because almost everything that's new is in phones...Why ...would we dev...e...n't...? ... [2]

Mr. McLean replied that he could not precisely speak to the iPhone, but that many phone providers are putting navigation devices into their phones. He said that Global Positioning Systems are also very common in new vehicles, asserting that GPS has produced tremendous productivity enhancements. In his opinion, a lot of the issues this commission is dealing with can absolutely be enhanced with data. What is needed is the information that is generally only available from the government.

Deleted: n't...g...p...s... (GPS) ... [3]

Mr. McLean gave the example of construction. Fifty percent of congestion is caused by non-recurring events, including construction. Transportation officials know where construction will be occurring, but this information is not publicly available. When there is robust availability of data, then the private sector will be there, whatever the medium. The private sector will make multi-million dollar investments in this technology. With real-time transportation data, private and public organizations can invest wisely and adjust their plans minute-to-minute.

Deleted: Someone, somewhere, s.... But that's ...They'll ... [4]

Commissioner McArdle said that one of the things that really hurt the expansion of the public transportation model was the fear of foreign owners. An early decision was made to starve out the private sector, and some of the same things happened with toll roads. Addressing Mr. Jones, he asked, how much of the "low-hanging fruit" was due to government shutting out the private sector. He noted that the public sector may not have allowed tolls to rise to create investment at the right level. He wondered if policymakers are just outsourcing the political will to raise tolls.

Deleted: is...not allowing the ... in.... T...has not ...Are we ...? ... [5]

Mr. Jones replied that the toll agencies the commissioner described are subject to the same political forces as State Departments of Transportation. In his mind, political leaders do not want to increase the fuel tax because they believe their constituents will not like it. Board members are appointed politically, so they may share the same issue. In some of those agencies, tolls must pass political muster before they are passed.

Deleted: DOTs...Politicians don't...won't...re...He agreed that it is a problem. ... [6]

Commissioner Heminger asked Mr. Simonson about inflation rates in the out-years of the 50-year needs estimate that the Commission is making.

Deleted: c

Mr. Simonson replied that six percent is appropriate for the next few years, but that he is not sure about Year 49. There will may be a faster increase in labor costs than materials.

Deleted: 6...and t...y...somewhat , perhaps. 5 percent increase in labor costs, six to nine percent in materials, for a total increase of about six to seven percent...After 50 years, he is recommending we stick with 6 percent. There have been price spikes that have been much higher. In 2005, there were simultaneous increases in diesel costs, asphalt, and steel. ... [7]

Commissioner Heminger asked Mr. Jones about asset leasing. He said he would like to draw the distinction between Greenfield and Brownfield projects. He asked what risk there might be for a company leasing a facility with a proven user base, especially when the company is given the ability to raise tolls by the Gross Domestic Product increase

Deleted: g...b...g...d...p ... [8]

each year. To the Commissioner, that seemed low-risk. He asserted that political will is in fact contracted out. But the cost is the ability to take in those revenues in Years 40, 50, and 70. In the current request for proposals for the Pennsylvania Turnpike, the public agency would bid to keep running the facility, but may raise tolls as often as a private company. If the tolls went up more regularly, maybe they would be less attractive to lease out, and more attractive to keep.

Mr. Jones agreed that when a public agency leases an asset, that agency is giving up the ability to bring in toll revenue. However, he suggested that if the cost of contracting out increases, it might be best to take in the funds and do the construction now.

Commissioner Heminger stated that this may be true, but the public agency could do the same, and at a lower interest rate. His organization is currently selling debt at 4 percent, and private companies cannot do that.

Mr. Jones said that may be true, but these public agencies are not taking advantage of this fact. Commissioner Heminger said that is the problem.

Commissioner Schenendorf stated that the Federal government has preempted State governments from taxing railroads and airlines differently from regular commerce, with the exception of passenger facility charges, which the Federal government still controls. The equivalent is toll roads — governments have prohibited tolls from rising in a similar way. If leasing is happening with Interstates, he noted, then the Federal government has an ability to look at those agreements for leasing and give some guidance. In Indiana, for example, the State provided a subsidy so that tolls would not be raised for the first five to six years, while the political leaders, who made the deal are still in office. In his opinion, these lease terms seem way too long, extending out 75 and 99 years. If there are to be concessions on the Interstate system, which the Federal government paid for, he believes the Federal government does have a role in potentially saying what these agreements can do.

Mr. Jones said that in the European concession model, the government concedes the opportunity to build and operate a road between two cities. The government requires principles that are rigorous, and in exchange for the concession, the concessionaire reserves the right to use those tolls however the concessionaire see fit. He asserted that 50-year-old Interstates have already been paid for, but now they need to be rebuilt. Someone who drives on it now is paying for using the facility, not for building or rebuilding it.

Commissioner Schenendorf said that part of the toll drivers are paying is going someplace else.

Mr. Jones said that States and cities have to be specific about how the roadway must be maintained for 75 years, and what condition it will be in when they get it back at the end of the lease period. He asserted that the question of whether the facility would be improved or not without the deal as it is structured is hypothetical.

Commissioner Schenendorf said that he is not against these deals, and that there is a role for them. He said that with an Interstate system that was 90 percent paid for by the Federal government, the Federal government is in a position to say what types of arrangements can be made and how they can be structured.

- Deleted: c
- Deleted: pretty
- Deleted: this is
- Deleted:
- Deleted: that's
- Deleted: y
- Deleted: current
- Deleted: is
- Deleted: ding
- Deleted: it, but
- Deleted: more often, like
- Deleted: would.
- Deleted: they're
- Deleted: the
- Deleted: things
- Deleted: goes up as much as we think it will,
- Deleted: said
- Deleted: that
- Deleted: ,
- Deleted: 't
- Deleted: at fact.¶
- Deleted: aid
- Deleted: the
- Deleted: they've
- Deleted: the
- Deleted: won't
- Deleted: 5
- Deleted: 6
- Deleted: the people
- Deleted: it is an important deal, and
- Deleted: y
- Deleted: they
- Deleted: . He said that Commissioner Schenendorf is suggesting that if the United States has a concession and they're paying for something other than the facility that this violates the principle
- Deleted: i
- Deleted: to build, but now they n
- Deleted: they're
- Deleted: really

Chairwoman Peters observed that the stagnation of the gas tax has not been the result of a lack of political will, but rather a lack of consumer confidence. Indiana is betting that in ten years, after implementing its transportation plan funded by the lease of the toll road, the State, will be in a better position economically to deal with their transportation needs.

Deleted: 10

Deleted: their

Deleted: they

Panel 6 — Workforce Issues

Chairwoman Peters introduced the sixth panel of witnesses:

- Mr. Michael Siano, Executive Vice President, Amalgamated Transit Union (ATU)
- Mr. James M. Brunkenhoefer, National Legislative Director, the United Transportation Union (UTU)
- Donald J. Kaniewski, Legislative and Political Director, Laborers' International Union of North America

Statement of Mr. Siano, ATU

Mr. Siano testified that transit currently faces a series of challenges. Even though transit is a key part of national oil independence, transit needs increased funding. ATU policy priorities include doubling the size of the Federal transit program, enhancing transit and over-the-road bus security programs, encouraging more people to ride public transportation, providing for more flexibility in the use of Federal transit funds, encouraging increased transit investment by the States, and expanding workforce development programs.

Deleted: currently

Deleted: ,

Deleted: it needs more funds to maintain infrastructure and services

Deleted: :

Statement of Mr. Brunkenhoefer, UTU

Mr. Brunkenhoefer said that rail presents an opportunity. It is environmentally sound, and when fuel is taken into account, rail transit can help fix the balance-of-payments problem in the United States. The UTU supports Amtrak as a singular agency. Freight railroads have an existing right-of-way and can be easily expanded. In Mr. Brunkenhoefer's opinion, there isn't the political will to do what's needed, which is to raise taxes. He called other ways of increasing revenues artful and unreal. He asked if the White House would seek a sponsorship from Wal-Mart because the country could bear to raise taxes. He reminded the panel that President Eisenhower was a Republican who raised taxes. In closing, he said that the United States has the best infrastructure on this planet, and that we now are looking for ways to improve that infrastructure.

Deleted: The f

Deleted: It could be used to build other systems too, such as highways.

Deleted: can't

Deleted: great

Statement of Mr. Kaniewski — Laborers' International Union of North America

Mr. Kaniewski works with the construction workforce. His organization supports a user fee, saying that the public will support this if people believe they are receiving projects in return. Funds should be dedicated to highways in particular. Any way of assessing these funds is acceptable. He is not averse to innovative financing or bonding. He said that public-private partnerships (PPPs) have been the topic of much experimentation. His

Deleted: they believe they're getting what they pay for.

Deleted: ,

Deleted: , etc

organization does not believe they are a panacea. To him, PPP could ultimately stand for “picking the people’s pocket.” He cautioned against using PPPs as a substitute for political will or national policy. His organization still believes that user fees are a better alternative.

Deleted: ’

Deleted: I

Panel 6: Question and Answer Session

Commissioner Busalacchi asked about the PPP issue. Saying a lot of the information comes out of local unions, he asked about the feedback from front-line laborers. He asked if these workers are people positive about PPPs.

Deleted: that in the realm of labor unions,

Deleted: the

Deleted: people at the lower level. Are

Deleted: it? Is it going to be a hot political issue?

Deleted: .

Deleted: But the union believes this is a limited solution, and currently there

Deleted: do

Deleted: this. If

Deleted: .

Deleted: I

Mr. Kaniewski said that the review has been mixed so far, because the projects have been mixed. The Chicago Skyway is fine for his organization. In New Jersey, his union is working with the State government, but there are a limited number of opportunities to at the state level. He noted that if agencies are going to sell the lottery, they can do what they like with that money; if they are leasing a road, the funds should be put back into transportation.

Mr. Brunkenhoefer agreed.

Mr. Siano said that PPPs have worked for his union.

Commissioner Weyrich asked what kind of cooperation unions have these days with transit authorities. He asked whether most are publicly operated.

Deleted: Are

Deleted: ?

Mr. Siano said that most agencies are publicly operated, but that there are also a lot of private agencies.

Commissioner Weyrich asked what sort of cooperation the ATU has. Is there an adversarial relationship with the agencies? Mr. Siano said that it’s a mixed bag. They have a spirit of cooperation on a lot of properties, but a different type of relationship in some properties. For example, in his mind, the union does not have a good relationship with the governor of New Jersey. The union does not think he is doing enough.

Deleted: ¶
¶

Deleted: n’t

Deleted: n’t

Deleted:

Deleted: ’s

Deleted: asked him

Deleted: we

Deleted: d?

Deleted: in

Deleted: h

Deleted: which is t

Deleted: he

Deleted: ’s

Deleted: they cannot

Deleted: have

Deleted: that

Deleted: that

Deleted: asked to

Commissioner McArdle prefaced his question by saying that he serves as a trustee on a union board. Addressing Mr. Kaniewski, he about his perception of the availability of labor to build out whatever needs to be built.

Mr. Kaniewski said that the construction industry is fraught with issues of turnover and recruitment, and this also impacts the transportation area. The industry is going to have to meet the challenge of health care, its biggest challenge. He said that at some point, it is pay that matters. When he talks to the non-union workforce, pay matters. He emphasized that there cannot continue to be a “race to the bottom” in the construction industry and expect there will be a workforce that can do the complex tasks the infrastructure of the future will require. The biggest recruitment tool is pay. The union works with the Graduate Equivalent Degree (G.E.D.) population and the immigrant population, and is reaching out to everyone possible.

Commissioner Geddes followed up on Commissioner Busalacchi’s question. Addressing Mr. Kaniewski, he asked about transferring fees to a VMT charge. He said, in his

opinion, if people see that they are paying for things like congestion tolls, then they will know what they are getting.

Deleted: '...re ... [9]

Mr. Kaniewski said that there is nothing that cannot be accomplished when the American people trust their leaders. The more that agencies can be transparent and open with the American people about what they are doing, what is intended and what the result will be, the more the public will be convinced that something is in it for them at the end.

Deleted: '...you ...'t... in this country you have ...on... your side...'re...'s...he thinks they' ... [10]

Commissioner Geddes asked if pricing the system correctly would be better for workers on the roads.

Mr. Kaniewski said that there is no objection to tolls. He said that his union definitely does not want to be under-priced as laborers.

Deleted: 's...n't ... [11]

Commissioner Schenendorf said that one of the things the commission heard on the prior panel was the difficulty of raising the gas tax. He asked whether transportation officials could raise the user fee if they put together a clear vision.

Deleted: ', ...i...f we put..., can we raise the user fee? ... [12]

Mr. Siano said that the ATU supports the gas tax, and that if it is packaged well, it will be well-received. ATU would do everything possible to support that issue.

Deleted: 's put together in a good package, it will be... strongly believes that, and will ... [13]

Mr. Brunkenhoefer thanked Commissioner Weyrich for his work on behalf of Amtrak.

Mr. Kaniewski said that the American people understand that if the country is going to compete in the global economy, solutions must be found. He believes there is plenty of will to do it. He said that the taxes for the wealthy should be cut. In his opinion, raising the gas tax is something the government can ask the American people to do in a time of war.

Deleted: we're ...we've got to pull it together.... There's...rich have continued to ... [14]

Commissioner Heminger said he would like to endorse what Chairwoman Peters had said previously: that it is not a lack of political will to raise the gas tax, but rather consumer confidence. Addressing Mr. Siano and Mr. Brunkenhoefer, he asked about transit security. He asserted that the United States will not make transit systems like the airport system. He asked them what agencies should strive for in this regard.

Deleted: ', ...and that it is...? ... [15]

Mr. Siano said that most transit systems run buses, and there are some light rail networks. Transit agencies want to keep things open. He believes there is virtually no security at all on buses. Agencies don't have the right to search buses, and there is no metal detector. His union believes that is a major concern for bus passengers, let alone bus drivers. He also believes there is virtually no security at the bus garages. He said he is thankful that there has not been a major terrorist attack on one of the Nation's buses.

Deleted: system... pretty...There's '...t...'s...T...Workers find people sleeping in the buses. ...we haven't... had ...our ... [16]

Mr. Brunkenhoefer said that some of the security that has been done has been aimed at operators, making it more likely for them to lose their jobs, despite the fact that when there is a terrorist event, like in London and Spain, operators are the first victims. To him. Treating operators as the potential terrorists is a problem.

Deleted: 's...the ... [17]

Chairwoman Peters asked about the need for a compelling national vision. Could it be accomplished by state, local or private sector partners, if the Federal government established national standards?

Deleted: what is a... ... [18]

Mr. Siano said that he believes in the Federal system. He encourages the Federal government to be on top of transportation, and if it trickles down to the local level, that is fine for him. He said that security needs to be set at the national level.

Deleted: fine

Mr. Brunkenhoefer said that to have a consistent national system, it needs support at the national level. He believes there cannot be 50 different ways of taxing. Saying that the United States has a successful model, and it works, he asked, why there should be a need to change it. In his opinion, the States and local governments have limited funding as well.

Deleted: T

Deleted: ?

Deleted: don't have any money either.

Mr. Kaniewski said that Federal standards alone will not do this. He believes the country needs a policy that is enforced and empowered at the national level. He said that the Federal government needs to step in to unite the country around a policy to meet a global challenge. If the United States is going to provide a competitive platform, he believes the Federal government must do more than setting standards and farming out tax policy. He said that the Federal program has been successful and it needs to continue in that way.

Deleted: won't

Deleted: T

Deleted: 's

Deleted: so that products can get to market, to ports, to customers, in his opinion, t

Chairwoman Peters said that she has more confidence in the State level based on her prior work in Arizona. She asked another question of the panelists: If transportation workers on an Illinois tollway were able to invest their pension programs in that road, would that be acceptable?

Mr. Siano said that he does not believe in people investing their own money. His union established long ago that defined benefit plans are good.

Deleted: n't

Mr. Brunkenhoefer said that his union is not allowed, by law, to target its investments in a way that would have that type of effect.

Mr. Kaniewski said that this represents a new asset class for his unions. He estimated that the three unions represented have made substantial investments in some of the existing funds that are out there. He said that the question is, when the unions are a \$250 million investor in Goldman Sachs' infrastructure fund, how does that affect how the project is done? The answer is very little. His organization's three unions represent about \$300 billion that could be invested.

Deleted: It's a class of investment they are interested in, but they see it as part of a portfolio, but just part of a national solution. His organization would like to explore the possibilities of it.

Mr. Brunkenhoefer added comments about local agencies. He believes California's priority is currently to invest in prisons, and New Orleans needs housing reconstruction. He asserted that local governments will choose priority projects and not always invest in transportation improvements needed for the national economy. As an example, he cited the need to improve the flow of cargo out of the Port of Long Beach/Los Angeles.

Deleted: said that he wanted to add something about

Deleted: the

Deleted: Saying that right now, California needs to i

Deleted: h

Deleted: those things and will

Deleted: He gave the ex

Deleted: ample of investing in getting

Deleted: Los Angeles –

Deleted: port, saying that without that, the national economy would be strangled, not the California economy.†

Chairwoman Peters asked each panelist to submit a statement in writing on their definition of a compelling national interest.

Panel 7 — Policy Issues

Chairwoman Peters introduced the last panel of the day:

- Mr. Robert E. Skinner, Jr., Executive Director, Transportation Research Board (TRB)
- Dr. David L. Greene, Corporate Fellow, Oak Ridge National Laboratory (ORNL)
- Ms. Anne P. Canby, President, the Surface Transportation Policy Project (STPP)

Statement of Mr. Skinner, TRB

Mr. Skinner gave a brief overview of the Federal research portfolio, noting that most mature industries spend 1 to 3 percent of their budget on research and development, while American transportation agencies spend just 0.7% of their budget on research.

- Deleted: -
- Deleted: %
- Deleted: whereas
- Deleted: in the United States. Full testimony was also submitted in writing.
- Deleted: our
- Deleted: Their plan is

Statement of Dr. Greene, ORNL

Dr. Greene emphasized that the United States is at an energy crossroads. Oil is a costly fuel to rely on for the country's transportation system. A national goal should be to reduce oil consumption for travel by one-third.

Statement of Ms. Canby, STPP

Ms. Canby emphasized that some of the current problems in transportation could be made into opportunities if policymakers choose to do so. Many issues of national significance interact with transportation. As an example, Ms. Canby cited the competitiveness of the U.S. economy and the combined costs of housing and transportation. Transportation would benefit by connecting to these issues.

- Deleted: -
- Deleted: Examples are

Ms. Canby recommended the following:

- Establish a set of national purposes with outcomes and accountability
- Tie distribution of Federal funds to program purpose/outcome
- Make the program transparent
- Strengthen regional entities in the transportation planning process

She emphasized that transportation needs to be related to the concerns and interests of a much broader constituency in the country.

- Deleted: is

Panel 7: Question and Answer Session

Commissioner McArdle told Ms. Canby that one of the things the commission has heard throughout the public hearings has been something Commissioner Skancke has focused on—that is the time it takes to get a project to the point of construction. Commissioners have heard that it takes three times as long to navigate through the development process as it does to actually build the projects. He asked if her organization has looked at streamlining projects.

- Deleted: We
- Deleted: they take
- Deleted: to talk
- Deleted: they do to
- Deleted: or

Ms. Canby replied that the problem is not so much the Environmental Impact Statement (EIS) process as much as that projects are a low priority, the agency does not have enough money, or there is public controversy surrounding a project. The data her

organization looked at several years ago showed that the system is not hampered that much by environmental planning in the end. Some of the questions may be asked at the wrong stage, while agencies may ask questions during the NEPA process that should have been decided at the planning stage.

Deleted: NEPA

Deleted: are

Deleted: ;

Deleted: are

Deleted: ing

Commissioner McArdle asked Mr. Greene to address price points. Has he examined the price point at which things like electrified rail absolutely make sense?

Mr. Greene said that he had not looked at that.

Deleted: n't

Commissioner Geddes asked Mr. Greene to talk about the nation's energy challenges. He asked about how to use the market to address those challenges.

Deleted: What would he suggest this commission should recommend

Deleted: ?

Deleted: the

Deleted: ,

Deleted: etc. B

Mr. Greene replied that one way would be to tax carbon use. This would send a price signal to the market. Often this is seen as impractical or politically unfeasible, but polls have shown that the public would approve fuel taxes to combat climate change. Another idea is "fee-bates," which puts a fee on less efficient vehicles and gives a rebate to those with more efficient vehicles. He said that the technology advances of the last 20 years that could have been used to improve fuel economy have instead been used to build heavier and higher horsepower vehicles.

Deleted: The advantage of that over a fuel economy standard is that once you've met the standard, there's no incentive to increase the fuel economy.

Deleted: The

Commissioner Geddes asked if he meant that they could tap the power of markets by valuing the signal of the price.

Mr. Greene said that was the case, and if there is a clearer signal, then there would be a better market, more private response, and more innovation.

Deleted: yes,

Commissioner Geddes asked whether this would fall disproportionately on poor people who own older vehicles?

Deleted: about the contention that

Deleted: , with

Mr. Greene said that this fee-bate would fall just on new vehicles, with the goal of influencing the design of new vehicles.

Commissioner Skancke asked Ms. Canby to follow up with project delivery. He asked her to restate her position on the planning process role in the National Environmental Policy Act (NEPA).

Ms. Canby said that NEPA has become a checklist, and it is not being used for what it should be. The Department of Transportation or transit agency has already decided what it wants to build, and then it goes through the NEPA process. She believes the agency should decide what it wants modally when in the planning phase; then it can start with some of the NEPA questions at a later time in the process.

Deleted: DOT

Deleted: they

Deleted: they go

Deleted: They

Deleted: they

Deleted: they're

Deleted: they

Deleted: DOT. That's part of project delivery.

Commissioner Skancke described submitting a NEPA document to five to six different agencies, and the agencies taking their time getting that back to the State Department of Transportation. In Utah, there is a project that requires four different agencies, four different documents, and they all have different timelines. He asked Ms. Canby for an opinion on that situation.

Ms. Canby said that this is something that could be fixed. This is more of a regulatory effort than a legislative fix. She described an initiative she began at the Delaware

Department of Transportation where all the agencies were brought in to build relationships from the beginning. She believes this makes the process work, not rules in a book.

Deleted: DOT, a process where the DOT brought

Deleted: in all

Deleted: , built a process, and

Deleted: t

Deleted: relationships

Deleted: That's what makes it work right, not a bunch of

Deleted: you put them

Deleted: you don't need laws. That's

Deleted: wha

Deleted: that

Deleted: If the United States were in fact to put this into a carbon tax, in transportation, agencies are used to thinking about this fuel tax as the revenue source.

Commissioner Skancke agreed that when the agencies are brought into the same room, laws are not needed. He believes that is what is wrong with the transportation system — there are too many laws.

Deleted: 's

Deleted: that TRB organized on the fuel tax,

Deleted: -

Deleted: they

Deleted: haven't

Deleted: A

Commissioner Heminger said he was very encouraged to hear more about energy and energy independence. Addressing Secretary Peters, he said that she has been asking about a compelling national interest, and suggested that this would be a good candidate. In his mind, Mr. Geddes suggested a good approach — a carbon tax, which is better than regulation or subsidy. He asked all of the witnesses, especially Ms. Canby and Mr. Skinner, about whether it is time to re-contextualize this issue in terms of infrastructure and energy.

Deleted: , a broad-based carbon tax mentioned by Mr. Greene, or a fee system based on VMT, woul

Deleted: that

Deleted: that

Deleted: 't

Deleted: 's

Deleted: 's

Deleted: we're

Deleted: n't

Deleted: sea change

Mr. Skinner replied, saying that this commission has heard previously from the Transportation Research Board panel chaired by Rudolph Penner. What the previous panel said was that the fuel tax is a viable option for the next 10 to 15 years. After that, panelists laid out some options that would be more like a VMT tax/fee. Transportation agencies have been in a transition mode since the 1980s, and they have not figured out how to break out of that transition mode and lay a vision to move toward. In his mind, a gasoline tax is feasible in the short term, people are familiar with it, and it works. Anything else would need some lead time. The challenge for this group is to provide some leadership.

Deleted: P

Deleted: '

Deleted: n't

Deleted: Something has to be invented.¶

Ms. Canby said that she thought it would be possible to allocate a carbon tax. She said it would be helpful for the carbon tax to fund a broader mix of things, rather than just transportation, although transportation needs to be part of that mix. She agreed with Mr. Skinner that it can't be done overnight. If funding moves to road pricing, that is not apt to be a Federal revenue stream. It is more likely that it would be generated at the local or statewide level. But clearly, in her view, there needs to be a national consistency in the message so that transportation officials are driving toward the right outcome.

Mr. Greene said that he did not mean to imply that a carbon tax would be sufficient to solve the energy problem. The amount that people are willing to pay would translate into about 25 or 50 cents per gallon, which would not be enough to generate a major shift. He said there is a market failure in fuel economy, which he has written about elsewhere. In his mind, people do not conceptualize the life-time cost of fuel when they buy a product. A tax on gasoline would help, but it does not really solve the problem. In the end, transportation agencies can do a lot with fuel economy requirements and biofuels over the next 10 to 15 years. But when the country has to move to something more like unconventional petroleum, there is no market-ready technology to use. Agencies need advanced technology throughout the transportation sector.

Commissioner Heminger said that his State has adopted a new greenhouse gas law. Industry would prefer one law around the country, if there is one at all. With the kind of targets that are in the California law, or in Ms. Canby's presentation, manufacturers are going to have to really change fuel economy. He asked if the change is through a carbon tax, whether it would have to be bigger than what Mr. Greene mentioned.

Deleted: ,

Deleted: ouldn't

Deleted: (25-50 cents)?

Mr. Greene said that with a \$25 per ton charge on carbon dioxide, there would be a revolution in power plants, that would price coal out of the market. But in transportation, it is not as simple to shift usage.

- Deleted: /
- Deleted: CO₂
- Deleted: , and it
- Deleted:
- Deleted: it's
- Deleted: ?

Commissioner Schenendorf asked Ms. Canby about her discussion of greenhouse gas and energy goals. What would meeting her goals mean in terms of urban mobility? He noted that APTA and AASHTO have both testified about doubling the capacity of transit in the next 20 years, and wondered whether this was enough.

- Deleted: The American Public Transit Association (APTA) and the American Association of State Highway and Transportation Officials (
- Deleted:)
- Deleted: .
- Deleted: In her opinion, is that enough?
- Deleted: doesn't
- Deleted: e

Ms. Canby said that she did not have the analysis to get the answer to that question. She recommended setting a target before deciding how to get there. She said these are very important issues for the future of the world, so she recommended setting a target and encouraging innovation among the country's great thinkers. Not every place will do the same. New York is ahead of where other places are, so there will be a balance across the nation. But she emphasized the need to move toward those goals, and to provide incentives for people to move toward them.

Commissioner Schenendorf asked how this would be distributed.

Ms. Canby said that it would have to be done on a case-by-case basis, saying that it is easier to move people out of their cars in New York City than in Phoenix.

- Deleted: among all the genius in the country
- Deleted: '

Commissioner Schenendorf asked if she had numbers.

Ms. Canby said her organization is working on it, but those statistics are not yet available.

- Deleted: it's not done yet

Chairwoman Peters asked if the Federal program were focused more on a few key areas that were serving the national interest, whether there would there be less dilution of national resources.

- Deleted: ?

Mr. Skinner said that right now, directly or indirectly, the Federal government is really supporting the entire transportation research program in the United States. States are using their Federal aid for most of their research funds. He remarked that local governments do not contribute. That is similar in transit. Transit agencies rely on the Federal Transit Administration (FTA) and the Transit Cooperative Research Program (TCRP) to conduct highly applied research. He said there has not been enough long-term, high-risk research done, which the Federal government is in the best position to do. For the time being, the Federal government is crucial to address short-term needs.

- Deleted: L
- Deleted: n't
- Deleted: anything
- Deleted: The
- Deleted: But f
- Deleted: if we substantially decrease our oil dependency, would it

Chairwoman Peters asked, even if changing American greenhouse gas emissions would really matter since the economies of India and China are growing so quickly.

- Deleted: really change global greenhouse gas emissions,
- Deleted: ?

Mr. Greene said that yes, it would make a difference. The United States is now the largest emitter of greenhouse gas. He believes that everyone, individually, has to do something. He then qualified that by saying that it is going to be difficult to convince economies of the developing world to control their greenhouse gas emissions. They believe it is their right to build their economies.

- Deleted: One could say, "If I'm the only one working on it, what difference can it make?" But
- Deleted: 's
- Deleted: a big problem to
- Deleted: t's

Mr. Skinner said he has worked with China on their fuel economy standards. They have tougher standards than the United States does, and they are doing more to curb the

- Deleted: and increase greenhouse gas emissions

emissions of heavy trucks. In other areas, they are not doing what they need to do, such as limiting construction of coal-burning power plants. He said that he doesn't think that we can say, "We don't need to do anything about these gases because of China and India."

Deleted: 're

Deleted: huge

Deleted: 't

Commissioner Schenendorf asked Mr. Greene about the idea that the United States doesn't have alternative-fuel vehicles yet. Is that because of a lack of funding?

Mr. Greene said that most of these are long-term problems and many people have been working to solve them. A substantial amount of battery research has been going on, and more is needed.

Deleted: that have been around for a long time,

Deleted: and a lot of people have been working on t

Chairwoman Peters asked about Corporate Average Fuel Economy (CAFE) standards. She said that the administration is more likely to assign fuel economy standards by vehicle class, rather than at the corporate fleet level, because of environmental and safety concerns. The administration does not want to force people into smaller, inherently unsafe vehicles. She asked how much it would take to move to a VMT-based fee system.

Deleted: , but it's not there. Plug-in vehicle technology isn't there yet, they need a different battery. They need more research support, but the Department of Energy is working on it, and private industry is working on it. Mr. Greene said he didn't know what else would happen with additional dollars, but that it's entirely likely that more money would be effective. ¶

Deleted: n't

Deleted: How long will it take? Will it be a phase-in? ¶

Mr. Skinner said that when he thinks about the technologies that have to be integrated and the population that has to be brought along, it seems the United States is a decade away. He reminded the panel that unless research starts answering some of these questions, it will always be a decade away.

Ms. Canby said that vehicle fleet turnover takes a little over 10 years, and there would have to be a public education process as well. She said that in the surveys she has seen so far, people are not in favor this change, in part because it's different and new. Agencies would also have to take some time to figure the concept out.

Deleted: of it

Deleted: it

Mr. Greene made a plea for keeping the fuel tax around indefinitely. Energy will always be needed for transportation, he noted, and the amount of energy will always match closely how much vehicles weigh and how far they go. It is useful in his mind to have a further tax on transportation energy.

Deleted: 's

Commissioner Heminger asked about replacing energy sources. He cited the U.S. Chamber of Commerce, who said that there would have to be an increase of 30 cents on the fuel tax to pay for infrastructure needs. Adding that to a 25 or 50 cent carbon tax, he asked when the United States reaches the point where the market will take care of these alternative energy sources.

Deleted: the

Deleted: do you get to

Deleted: ?

Mr. Greene said that Brazil is extensively using sugar cane ethanol. The United States needs to work on that here, with cellulosic ethanol.

Deleted: doing a great job with their

Commissioner Heminger asked if Mr. Greene shares the view that corn-based ethanol is not a good long-term alternative.

Mr. Greene said that from the well to the wheel, corn-based ethanol has at best a one-third reduction over gasoline, or a 10 percent reduction in greenhouse gases. While that is not trivial, he does not believe it is the best goal for the United States.

Deleted: '

Deleted: it's

Deleted: not

Commissioner McArdle asked another question on fuel standards. He said that he recently saw that a substantial amount of the carbon dioxide emitted tends to come from older vehicles owned by poorer people. What about a scrappage program, where people would bring in their old vehicles? This would improve not only fuel economy, but put more efficient engines to work. Those kinds of scrappage programs have been used in the European Union.

Mr. Greene said that scrappage programs have been studied, both for pollutants and energy. They can at times be cost-effective for reducing pollutant emissions, but not for saving energy. Whereas the pollutant emissions might be a hundred times better in a new vehicle, the fuel use of the vehicle deteriorates very little over the life of a vehicle. So an older vehicle is almost as efficient as a new vehicle. He said the U.S. light-duty vehicle reached its current level of efficiency in 1972, so a scrappage program would not save very much energy.

Deleted: n't

Chairwoman Peters added that when the Arizona DOT proposed a scrappage program in Arizona, people who like to restore classic cars killed it in a hurry.

Page 26: [1] Deleted	FHWA	3/27/2007 12:45:00 PM
we are		
Page 26: [1] Deleted	FHWA	3/27/2007 12:45:00 PM
Page 26: [1] Deleted	FHWA	3/27/2007 12:46:00 PM
n't		
Page 26: [1] Deleted	FHWA	3/27/2007 12:57:00 PM
we don't have to		
Page 26: [1] Deleted	FHWA	3/27/2007 12:58:00 PM
rather they want to		
Page 26: [1] Deleted	FHWA	3/27/2007 12:58:00 PM
n't		
Page 26: [1] Deleted	FHWA	3/27/2007 12:58:00 PM
we		
Page 26: [2] Deleted	FHWA	3/27/2007 12:58:00 PM
, if		
Page 26: [2] Deleted	FHWA	3/27/2007 12:58:00 PM
was all that important, would it not be in the new iPhone that Steve Jobs developed? Because almost everything that's new is in phones.		
Page 26: [2] Deleted	FHWA	3/27/2007 12:59:00 PM
Why		
Page 26: [2] Deleted	FHWA	3/27/2007 12:59:00 PM
would we dev		
Page 26: [2] Deleted	FHWA	3/27/2007 12:59:00 PM
e		
Page 26: [2] Deleted	FHWA	3/27/2007 12:59:00 PM
n't		
Page 26: [2] Deleted	FHWA	3/27/2007 12:59:00 PM
?		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
n't		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
g		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
p		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
s		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
(GPS)		
Page 26: [3] Deleted	FHWA	3/27/2007 12:59:00 PM
's		
Page 26: [4] Deleted	FHWA	3/27/2007 1:00:00 PM
Someone, somewhere,		
Page 26: [4] Deleted	FHWA	3/27/2007 1:00:00 PM

S

Page 26: [4] Deleted	FHWA	3/27/2007 1:00:00 PM
----------------------	------	----------------------

. But that's

Page 26: [4] Deleted	FHWA	3/27/2007 1:00:00 PM
----------------------	------	----------------------

They'll

Page 26: [5] Deleted	FHWA	3/27/2007 1:00:00 PM
----------------------	------	----------------------

is

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

not allowing the

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

in.

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

T

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

has not

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

Are we

Page 26: [5] Deleted	FHWA	3/27/2007 1:01:00 PM
----------------------	------	----------------------

?

Page 26: [6] Deleted	FHWA	3/27/2007 1:02:00 PM
----------------------	------	----------------------

DOTs.

Page 26: [6] Deleted	FHWA	3/27/2007 1:02:00 PM
----------------------	------	----------------------

Politicians don't

Page 26: [6] Deleted	FHWA	3/27/2007 1:02:00 PM
----------------------	------	----------------------

won't

Page 26: [6] Deleted	FHWA	3/27/2007 1:02:00 PM
----------------------	------	----------------------

're

Page 26: [6] Deleted	FHWA	3/27/2007 1:02:00 PM
----------------------	------	----------------------

He agreed that it is a problem.

Page 26: [7] Deleted	FHWA	3/27/2007 1:03:00 PM
----------------------	------	----------------------

6

Page 26: [7] Deleted	FHWA	3/27/2007 1:03:00 PM
----------------------	------	----------------------

and t

Page 26: [7] Deleted	FHWA	3/27/2007 1:03:00 PM
----------------------	------	----------------------

y

Page 26: [7] Deleted	FHWA	3/27/2007 1:03:00 PM
----------------------	------	----------------------

somewhat

Page 26: [7] Deleted	FHWA	3/27/2007 1:03:00 PM
----------------------	------	----------------------

, perhaps. 5 percent increase in labor costs, six to nine percent in materials, for a total increase of about six to seven percent

Page 26: [7] Deleted	FHWA	3/27/2007 1:04:00 PM
----------------------	------	----------------------

After 50 years, he is recommending we stick with 6 percent. There have been price spikes that have been much higher. In 2005, there were simultaneous increases in diesel costs, asphalt, and steel.

Page 26: [8] Deleted	FHWA	3/27/2007 1:04:00 PM
g		
Page 26: [8] Deleted	FHWA	3/27/2007 1:04:00 PM
b		
Page 26: [8] Deleted	FHWA	3/27/2007 1:04:00 PM
g		
Page 26: [8] Deleted	FHWA	3/27/2007 1:04:00 PM
d		
Page 26: [8] Deleted	FHWA	3/27/2007 1:04:00 PM
p		
Page 30: [9] Deleted	FHWA	3/27/2007 1:44:00 PM
,		
Page 30: [9] Deleted	FHWA	3/27/2007 1:45:00 PM
're		
Page 30: [10] Deleted	FHWA	3/27/2007 1:45:00 PM
,		
Page 30: [10] Deleted	FHWA	3/27/2007 1:45:00 PM
you		
Page 30: [10] Deleted	FHWA	3/27/2007 1:45:00 PM
't		
Page 30: [10] Deleted	FHWA	3/27/2007 1:45:00 PM
in this country		
Page 30: [10] Deleted	FHWA	3/27/2007 1:45:00 PM
you have		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
on		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
your side		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
're		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
's		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
he thinks they'll		
Page 30: [10] Deleted	FHWA	3/27/2007 1:47:00 PM
's		
Page 30: [11] Deleted	FHWA	3/27/2007 1:47:00 PM
's		
Page 30: [11] Deleted	FHWA	3/27/2007 1:47:00 PM
n't		
Page 30: [12] Deleted	FHWA	3/27/2007 1:48:00 PM
,		
Page 30: [12] Deleted	FHWA	3/27/2007 1:50:00 PM
i		

Page 30: [12] Deleted	FHWA	3/27/2007 1:50:00 PM
f we put		
Page 30: [12] Deleted	FHWA	3/27/2007 1:51:00 PM
, can we raise the user fee?		
Page 30: [13] Deleted	FHWA	3/27/2007 1:51:00 PM
's put together in a good package, it will be		
Page 30: [13] Deleted	FHWA	3/27/2007 1:51:00 PM
Page 30: [13] Deleted	FHWA	3/27/2007 1:51:00 PM
strongly believes that, and will		
Page 30: [14] Deleted	FHWA	3/27/2007 1:52:00 PM
we're		
Page 30: [14] Deleted	FHWA	3/27/2007 1:52:00 PM
we've got to pull it together.		
Page 30: [14] Deleted	FHWA	3/27/2007 1:52:00 PM
There's		
Page 30: [14] Deleted	FHWA	3/27/2007 1:52:00 PM
rich have continued to		
Page 30: [15] Deleted	FHWA	3/27/2007 1:53:00 PM
,		
Page 30: [15] Deleted	FHWA	3/27/2007 1:53:00 PM
and that it is		
Page 30: [15] Deleted	FHWA	3/27/2007 1:53:00 PM
?		
Page 30: [16] Deleted	FHWA	3/27/2007 1:53:00 PM
system		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
pretty		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
There's		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
,		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
t		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
's		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
T		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
Workers find people sleeping in the buses.		
Page 30: [16] Deleted	FHWA	3/27/2007 1:54:00 PM
we haven't		
Page 30: [16] Deleted	FHWA	3/27/2007 1:55:00 PM
had		

Page 30: [16] Deleted	FHWA	3/27/2007 1:55:00 PM
-----------------------	------	----------------------

OUR

Page 30: [17] Deleted	FHWA	3/27/2007 1:55:00 PM
-----------------------	------	----------------------

'S

Page 30: [17] Deleted	FHWA	3/27/2007 1:55:00 PM
-----------------------	------	----------------------

the

Page 30: [18] Deleted	FHWA	3/27/2007 1:55:00 PM
-----------------------	------	----------------------

what is a

Page 30: [18] Deleted	FHWA	3/27/2007 1:55:00 PM
-----------------------	------	----------------------

.