



STATEMENT OF

**THE HONORABLE COLLEEN LANDKAMER
COMMISSIONER, BLUE EARTH COUNTY, MINNESOTA**

AND

**PRESIDENT
NATIONAL ASSOCIATION OF COUNTIES**

**ON
THE STATE-LOCAL PERSPECTIVE ON OUR
TRANSPORTATION SYSTEM**

**BEFORE THE
NATIONAL SURFACE TRANSPORTATION POLICY
AND REVENUE STUDY COMMISSION**

**JUNE 20, 2007
WASHINGTON, DC**

Good morning. My name is Colleen Landkamer and I am a commissioner from Blue Earth County, Minnesota and president of the National Association of Counties (NACo). NACo represents America's 3100 counties urban, suburban, and rural counties and I am delighted to be here with my colleagues from seven national state and local government associations.

NACo members own and are accountable for a substantial portion of the nation's surface transportation system--45 per cent of the highways, 44 percent of the bridges and one-third of the transit systems. As part of the intergovernmental financing of transportation, local government raises its highway funding almost entirely from property taxes and the general fund, referred to as "own source" revenue. With the proceeds of what was collected, in 2005 counties spent \$16.4 billion on highways, a substantial portion of the \$36 billion spent by all local governments on highways and the \$28 billion spent on transit. States raise about 75 per cent of its funds from gas taxes and vehicle fees. The federal government's contribution to the intergovernmental system relies almost entirely on the gas tax. While raising the gas tax can be a challenge, our experience has been that raising the property tax for highway improvements is often more unpopular politically, in part because it is totally unrelated to usage of the transportation system. This duality in highway financing can be addressed to the extent that gas tax revenue is shared with local governments. Transit funding is different with the federal government contributing nearly 50 percent of the capital funding with locals picking up most of the rest. The federal share of operating funding is only 7 per cent with the bulk of the remainder coming from local sales taxes and the fare box.

We think that more accountability and focus must be put into the federal-aid system to ensure that the \$40 billion plus in federal dollars being spent on highways lead to a reduction in highway fatalities and a reduction in congestion. I come from a rural community and I know that many of the roads in rural America are not up to standards when it comes to safety, in part because of insufficient resources. Local property taxes only go so far and consequently rural local roads have the highest rate of fatalities of all types of roadways. If reducing 43,000 highway fatalities annually remains a federal priority, the Commission should recommend that the federal government act to fix the

most dangerous roads in America through an enhanced intergovernmental process that identifies and funds improvements to those roads.

Congestion affects the quality of life in our metropolitan regions and certainly costs a great deal economically to both individuals and businesses. In addressing congestion from an intergovernmental perspective, policy makers must realize that the entire highway system is interconnected and that almost all trips begin and end on local roads. In metro areas much of the Interstate capacity is being used for local trips, mainly by commuting and through the distribution of goods. For that reason alone, urban Interstates cannot be viewed as unrelated to the rest of the system and vice versa. If there is congestion on a major Interstate or tolls are placed on those roads it can create more congestion on local roads. Given this interconnectivity of the system, federal funds need to be spent on projects that will measurably reduce congestion. All the federal funds that can contribute to congestion reduction need to be part of a comprehensive planning process and should be allocated in an intergovernmental process so that elected state and local officials can jointly decide where the investments need to be made, including both capacity increases and incident management projects.

Finally, there needs to be more transparency in the federal highway program. First, we urge the Commission to recommend that data be collected and be made easily available that reports how federal aid funds are spent categorized by ownership of the roads and functional classification of those roads. Secondly, the Commission should recommend that reports be completed by each state that tracks the amount of funds spent on safety and congestion projects and what the measurable impacts of these investments are on safety and congestion.

This concludes my testimony and I would be happy to engage Commission members in an extended dialogue.