

**Steve Odland**  
**House Transportation and Infrastructure Committee**  
**Statement 1-17-08**

- Pleased to be here as a business leader, commercial user of the highway system for past 27 years.
- Office Depot is a nearly \$16B office supply company operating in 34 countries; shipments to 1212 NA stores, delivery of supplies to businesses, education, government, hospitals; 32 distribution facilities; over 100,000 deliveries per day; third largest internet retailer at \$4.8B.
- As a user of and contributor to the system, I believe The Surface Transportation System of the United States is at a crossroads. The future of our nation's well-being, vitality, and global economic leadership is at stake. We must take significant, decisive action now to create and sustain the preeminent surface transportation system in the world.
- Surface transportation system is extremely important, certainly to defense, but importantly also to commerce:
  - People moving to and from place of work
  - Goods and services within country
  - Goods and services to ports for export, from ports for import
- The United States now has incredible economic potential and significant transportation needs. We believe need to invest \$225 billion annually for the next 25 years to upgrade our existing system to a state of good repair and begin creating a more advanced surface transportation system to sustain and ensure strong economic growth for our families.
- The needs in the nation's surface transportation infrastructure are clear. This Commission is not the first to identify them. And now it is time for Americans to face facts: continued underinvestment and business-as-usual transportation policies and programs will have a detrimental impact on the ability of the United States to compete in the world economy and on the everyday lives of Americans. Steady economic growth and increasing and shifting population make a high-performing transportation system more important than ever.
- To maintain the margin of U.S. competitive advantage a transportation network providing reliable, fast, and cost-effective performance is critical.
- Some things are working well:
  - Interstate system
  - Consistency of system, ease of use
  - Capacity outside key urban areas

--Capacity inside urban areas during certain times of day and week

- But there are issues:
  - Metropolitan congestion
  - Road conditions
  - Safety
  - Over past 25 years population +28%, GDP +115%, vehicle miles have doubled and are growing at twice the rate of highway mileage growth
- Congestion costs a lot (\$200B?)
  - Causes increased inventory and therefore inefficient use of capital
  - More variable operating cost
  - Less customer service
  - Lowered efficiency, profits
  - Less global competitiveness
- In a “Just In Time” world, America needs to insure it has the capacity in the right places to compete just in time. The local truck that delivers goods to a neighborhood store is often the last move in a supply chain that spans half the world, with the final retail price of those goods reflecting 10,000 miles of hard-gained freight transportation efficiencies within that chain.
- Over the next 50 years population will grow 50% and GDP can triple. But to do this we need capacity. If we do not step up and focus on this, we may slip from first place in the world to second or even third place as other countries pass us by.
- Maintenance and expansion of our freight system will require a set of policy tools that incent more private investment and directs public funds toward projects which alleviate capacity constraints and allow for more traffic to flow across an efficient, sustainable inter-modal freight network. Chokepoints at our major gateways and trade corridors are trade barriers.
- When it comes to funding and financing, every option must be considered to address the enormous problems of the aging transportation infrastructure.
- While I believe strongly in the free market, capitalist system and the role of the private sector, government also plays a very important role in funding and managing the surface transportation system in a combined effort with the private sector.
- We need to de-politicize the process. Everyone from Congress itself to businesses to Main Street America is frustrated with the current process. The recommendation to create the NASTRAC helps to take the politics out of the governance of this 50 year plan, and insure funding is targeted at the projects required for the entire US system. The precedent has been set for a Commission like this in many areas including The Base Closure and Realignment Commission, Postal Regulatory

Commission, and State Public Utility Commissions. We realize this recommendation is visionary, but you asked us to be visionary.

- Our transportation system has helped build the greatest economic powerhouse in history. This has allowed us to become the greatest superpower nation. We should seek to build on that legacy for the next 50 years.
- Our recommendations are designed to create and sustain the preeminent surface transportation system in the world.