

TEA-21 REAUTHORIZATION: REGIONAL TRANSPORTATION ISSUES

FIELD HEARINGS

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

ON

APRIL 7, 2003—CHICAGO, ILLINOIS
AUGUST 11, 2003—BROWNSVILLE, TEXAS
AUGUST 14, 2003—MEDFORD, OREGON

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ONE HUNDRED EIGHTH CONGRESS
FIRST SESSION

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TEA-21 REAUTHORIZATION: REGIONAL TRANSPORTATION ISSUES

MONDAY, APRIL 7, 2003

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Chicago, Illinois.

The committee met, pursuant to notice, at 11:30 a.m. in room 2325, Dirksen Federal Building, Chicago, Illinois, Hon. James Inhofe [chairman of the committee] presiding.

ILLINOIS TRANSPORTATION: CROSSROADS OF THE NATION

Present: Senator Inhofe.

Also present: Senators Fitzgerald and Durbin.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator INHOFE. The hearing will come to order. We will start with a couple of apologies for my voice. It is not quite normal today, due to I am not sure what.

The other is that regretfully, even though I have a history here, and I have never mentioned this to my fellow Senators before, but I actually lived in Chicago years ago. I have a great affection for it.

I can remember watching the ticker tape parade from the top of the Lincoln Park Arms at the end of World War II. I am a little bit ashamed of Chicago right now. I feel very bad about what happened on the Miegs Field thing. I even gave some consideration to not coming today, as a result of that.

I feel that if you willfully go out and destroy infrastructure the way that the Mayor did, that it is a little inconsistent to come back and have a hearing to see what kind of infrastructure needs we have in Illinois.

The only reason I decided to come after all was after talking to my friend, Senator Fitzgerald, and so I am here. I really feel that it was an act of arrogant recklessness, reminiscent of the 1920's and not the 21st Century; so enough of that.

I would like to welcome everyone here to the first field hearing of the Committee on Environment and Public Works this year. This is a very significant hearing, because it is the first. We are going to be reauthorizing for the next 6 years, or it might be the next 5 years.

We might change it, in an effort to get more money for infrastructure for the entire United States of America. This is every

bridge, every highway, and all the Federal buildings, so it is a very significant thing.

I am sure everyone here is aware that the law currently governing surface transportation, TEA-21, must be reauthorized. I am the chairman of the committee that will be doing that.

My goals for reauthorization are very congruent with the needs of Illinois and, I believe, the goals of Senator Fitzgerald and Senator Durbin. I plan to put a great deal of focus on improving safety, congestion, and freight movement. A good highway program can save lives and improve the economy, and improve people's quality of life.

I have to say this. There is no single thing you can do more for the economy, in terms of a job's bill, than an aggressive highway program.

I would also like to see healthy and sustainable growth in funding levels in the new bill. The Nation's highway and bridge needs are staggering. This Administration recently estimated that to simply maintain the existing highway system and bridge system would require an annual investment to be increased by about 20 percent over current funding levels.

Simply increasing funding is not enough. States like Oklahoma and Illinois pay significantly more into the Highway Trust Fund than they receive in highway funding, where donor States want to significantly increase the rate of return for donor States. So we have that in common between the State of Illinois and the State of Oklahoma.

So with that, we have today, what do we have, three panels? We have three panels today, and I would like to, at this point, introduce the first panel.

From the first panel, we will hear from Mr. Timothy Martin, Secretary of the Illinois Department of Transportation, welcome; Miguel D'Escoto, Director, Chicago Department of Transportation, and we had a chance to ride in together and visit on the way from the airport; Mr. Douglas Whitley, President, Illinois Chamber of Commerce.

[The prepared statement Senator Inhofe follows:]

STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

I would like to welcome everybody to this, the first field hearing of the Committee on Environment and Public Works of 2003. I am honored to hold this hearing for my good friend Peter Fitzgerald to learn more about the transportation needs of the great State of Illinois.

As I'm sure everybody here is aware, the law currently governing surface transportation, TEA-21, must be reauthorized this year. I plan to mark up the new legislation in May, have it considered by the Senate in June, and have it on the President's desk in September, before TEA-21 expires.

My goals for reauthorization are very congruent with the needs of Illinois and, I believe, the goals of Senator Fitzgerald.

I plan to put a great deal of focus on improving safety, congestion, and freight movement. A good highway program can save lives, improve the economy, and improve people's quality of life.

I also would like to see healthy and sustainable growth in funding levels under the new bill. The nation's highway and bridge needs are staggering. This Administration recently estimated that to simply maintain the existing highway and bridge system would require annual investment to increase by about 20 percent above current funding levels.

But simply increasing funding is not enough. States like Oklahoma and Illinois currently pay significantly more into the Highway Trust Fund than they receive in highway funding. We are donor States. I want to significantly increase the rate of return of donor States. This is an important equity issue.

Senator INHOFE. Do you have an opening statement, Senator Fitzgerald?

**OPENING STATEMENT OF HON. PETER G. FITZGERALD,
U.S. SENATOR FROM THE STATE OF ILLINOIS**

Senator FITZGERALD. Well, I would just like to thank Senator Inhofe for coming here. I appreciate his being here, notwithstanding the bad weather and notwithstanding his misgivings about Miegs Field. He is a great friend and a great Senator.

We are the State that ranks about third in interstate networks through our State. The importance of a vital transportation network to Illinois and really to the country, cannot be overstated because so much of the traffic that travels on our highways goes through Illinois.

So I am delighted that we are in a position to have this hearing today so that we can present to the committee the needs of our State. We are one of those donor States that you referred to. We are only getting about 92 cents on the dollar back for every dollar we sent to Washington in our motor fuel taxes. We hope to do a little bit better the next time.

In the last 10 years, our traffic has increased something like 31 to 33 percent in the Chicago area. So our needs go up. We are one of the most congested cities; about the third most congested city in the country right here in Chicago. We have needs in all parts of the State, and we are glad that we will have testimony from a good cross section of the State of Illinois. So Senator Inhofe, thank you very much.

Senator INHOFE. Thank you, Senator Fitzgerald.
Senator Durbin?

**OPENING STATEMENT OF HON. RICHARD J. DURBIN,
U.S. SENATOR FROM THE STATE OF ILLINOIS**

Senator DURBIN. Senator Inhofe, thank you for coming to Chicago, today. I am sorry the weather is not a little better. But if you think we are disappointed, imagine the Chicago Cubs, who thought they were going to have an opening this afternoon with the Expos. I went out to Wrigley Field this morning and threw out the first snowball.

[Laughter.]

Senator DURBIN. I do not know if that is going to become an annual affair. I hope it certainly does not. But thank you for coming. I want to personally thank you for being one of the early co-sponsors of the legislation which would have solved the airport problem. It would have kept Miegs open. It would have built Piatone, and modernized O'Hare.

I know of your commitment to general aviation, and I know of your co-sponsorship of that legislation, which could have resolved this, and I wish it would have.

Today though, we look forward instead of back, and we look at the Transportation Equity Act of the 21st Century. I do not know if it has a formal name yet; TEA-3, TEA-21. Since you are the

chairman, you get to name it. But when it is all said and done, the name is secondary to the content of the bill.

We need to fix the formula. You are going to find representation in testimony here from all over the State. We not only have the city of Chicago and Page County, and all of the surrounding area in this metropolitan area, but we have a lot of down-staters. We have a lot of new projects that are piling up: U.S. 51, 67, 20, 30, North South Wacker Drive, just to name a few.

We need to fully fund the transit program. I know that we have already started talking about that with other Senators, about what to do with transit. But transit is an important part of transportation, not only for the city, but for this State, and I am sure, Oklahoma.

We need to fully fund the Congestion Mitigation and Air Quality Program, and provide State and local governments with more flexibility. We need to continue effective efforts, such as the discretionary interstate maintenance and discretionary bridge programs. If you would like to make the names of any of these programs shorter, I will second that amendment.

Finally, let me tell you that we need to advance the best interests of our Nation, not just of the individual States. I am certain you will do that, and thank you for being here.

Senator INHOFE. Thank you, Senator.

I might also add, before we hear from our first witness, that I am a Republican, but I did not agree with that item in the budget that came down. I thought we really needed more money than what came in with the President's budget.

Although I know the pressures that he is facing, and it very, very difficult, we are trying our best to be as creative as we can to increase the amount of money that we can have for our infrastructure throughout America.

Mr. Martin, you may begin. I would like to ask each of the witnesses on this and the other panels to make their comments as brief as they can, and your entire statement will be entered into the record. Mr. Martin?

**STATEMENT OF TIMOTHY MARTIN, SECRETARY, ILLINOIS
DEPARTMENT OF TRANSPORTATION**

Mr. MARTIN. Thank you very much, Senator. Mr. Chairman, thank you for coming to Chicago today, to discuss Illinois transportation needs. I appreciate the opportunity to be able to testify, and I would like to thank Senator Fitzgerald and Senator Durbin for their consistent backing of the transportation program throughout Illinois.

Having had the opportunity to meet with them in my short tenure here, they can both articulate the need for the projects throughout the State.

As no doubt you found in your travels here to Illinois, you could have gotten here by any one of a number of means. Illinois truly is the center point. If you look at any of the maps from Ashdale and any of the Federal maps, Illinois is truly the circulation system of this Nation.

It all comes right into Illinois; either into Chicago or through southern Illinois, all the expressways, the railroads, all come through here.

We rank third in the number of lane miles, third in the number of center lane miles. We also rank seventh in the number of vehicle miles traveled.

We have the second largest public transportation system in the Nation, and one of the oldest in the Nation. The Illinois transportation system moves an extraordinarily large amount of people, freight, and other goods throughout.

We are also the third largest container point in the world, second to Hong Kong and Singapore. All of that comes through Chicago and through Illinois.

In addition, one of every five jobs here in the State of Illinois is related to transportation. That is a staggering number. They are not all just transportation construction jobs. They are jobs related to transportation, related to goods distribution.

In 2002, Illinois created 87,000 jobs related to highway transportation construction. In addition, 27,000 jobs were developed, as it relates to public transportation. Those are phenomenal numbers.

We are not even talking about the number of jobs that were created as a result of transportation infrastructure, building throughout the State. I am sure that on the other panels that you will hear from this morning, that other groups will be able to articulate the jobs throughout Illinois that are going to be developed, not as a result of the construction projects, but as a result of the infrastructure that you will hear.

As Senator Durbin said, Corridor 67 runs throughout the State. That is an extremely important project for the State of Illinois, going through a number of small towns.

More importantly, our interstate highway system is nearing the end of its useful life. The majority of our expressways are approximately 50 years old, which means they need to be rebuilt. We can no longer simply resurface them.

Years ago, a resurfacing project would take 10 to 15 years for its useful life. Now it is 5 years. Years ago, it was \$1.6 million to simply resurface a part of the expressway system in Chicago. Now it is \$66 million to reconstruct it.

One may argue that you can resurface much cheaper and continually resurface. That does not take into account the delay for all of the motorists, all of the truck drivers, that go throughout our highway system; not only in Chicago, but in Peoria, in St. Louis, and throughout the State.

Illinois has identified serious interstate reconstruction and additional capacity needs, through the year 2017. From 2000 to 2008, we were able to reconstruct or refund capacity improvements for 125 miles of interstate, valued at \$2.9 billion.

From 2008 to 2012, we anticipate the need for 460 miles, valued at \$8 billion. For 2012 to 2017, it is 370 miles, valued at \$6.6 billion. These are the needs and these are only on the interstate expressway system.

The Illinois Department of Transportation is also responsible for 26,000 bridges, very similar to the number of bridges in the entire State of Oklahoma. Approximately one-fifth of these bridges are

considered deficient; not dangerous, but deficient, and in need of significant improvements.

We also have the need to improve crossings over the Mississippi River. Right now, in St. Louis, interstate highways all get choked down over one bridge through St. Louis. We need to work together, as we are with the State of Missouri, and increase the number of crossings in that area.

Reserving the condition and performance of bridges is absolutely key to the life blood of the United States. We need to work together to increase the discretionary bridge funds and the discretionary interstate reconstruction funds. Both are absolutely key.

We also urge the committee to provide Illinois a fair share of funding. I think, as has been articulated this morning by the members of the committee, yes, Illinois and Oklahoma are donor States. We need to change that.

Right now, as you heard earlier, we are third in the number of lane miles, but eighth in the total number of dollars coming to the State of Illinois for Federal aid highway projects. That is eight, instead of three, based on needs. We need to develop a needs-based system.

Five years ago, when TEA-21 became law, highway funding for the Nation was increased by 44 percent. Unfortunately, it was only increased in the State of Illinois by 29 percent. It was at that point that Illinois went from a donee State to a donor State. We need to correct that.

Despite the size and importance of Illinois transportation system, our overall Federal share decreased in 1997. At that time, the Governor and the Legislature were able to make out with the Illinois First Program. That program provided about \$8 billion of infrastructure needs, to make up for the shortfall that was not provided by the Federal Government.

Over the 5 year life of Illinois First, they were able to repair and rehabilitate 1,500 bridges, 4,400 miles of roads, and 795 miles of interstate highways.

Unfortunately, Illinois First is coming to an end this fiscal year. The State of Illinois, like any other State, is unable to increase funding to make up for any future shortfalls of Federal funds. That is why we urge you and your committee and the Congress to increase the overall funding available for roads and transit in the United States.

We need our fair share of Federal transportation funding to meet the great infrastructure needs in our State. The Illinois Transportation System is vital to the economic growth here and throughout the Nation.

I would like to thank you for this opportunity.

Senator INHOFE. Thank you, Mr. Martin; let me just comment that in our Senate bill, we do have a larger number than they do on the House side. We are going to be trying to think of ways to make that a reality.

I would like to say to the rest of the witnesses, we do want to hear from all of you. I would like to have you abbreviate your statements. We have 15 witnesses, and I would like to be able to hear from each one. So if you would, keep your remarks at a lower level.

Senator FITZGERALD. And maybe do not read; just talk off the top of your head, and we will file your full statements

Senator INHOFE. Like we did on the way back in from the airport. How is that?

[Laughter.]

Senator INHOFE. Yes, you are recognized.

**STATEMENT OF MIGUEL D'ESCOTO, DIRECTOR, CHICAGO
DEPARTMENT OF TRANSPORTATION**

Mr. D'ESCOTO. Good morning, Mr. Chairman, Senator Durbin, and Senator Fitzgerald; my name is Miguel D'Escoto. I am a Commissioner for the Chicago Department of Transportation.

Chairman Inhofe, on behalf of Mayor Daley, I would like to welcome you to Chicago, and thank you for taking the time to travel here to discuss our infrastructure and transportation issues. I would also like to thank Senator Durbin and Senator Fitzgerald for their hard work and efforts on our transportation system.

The reauthorization of TEA-21 provides a unique opportunity to invest in transportation; projects that will assure the Nation's competitiveness in the global marketplace. Because of Chicago's role in the North American private passenger and freight movement, an investment in Chicago's transportation system maximizes economic benefits to the Nation.

An efficient transportation network here is absolutely essential to insure the timely distribution of goods and people throughout the city, region, and Nation.

By funding Chicago projects, you can ensure that Federal transportation dollars are spent wisely. Using innovative design solutions and construction methods, CDOT delivers large, complex projects on time and on budget.

A prime example of this is the recently completed first phase of the Wacker Drive project. This \$250 million reconstruction project, maintaining access to 29 adjacent high rise buildings is along some of the most valuable real estate in the Nation.

As the largest retail, commercial, and residential center in the Midwest in the Nation's third largest city, the city of Chicago is a key economic engine for the entire country, as Tim was saying.

So supporting the continuing growth of the region, Chicago uses the transportation funds to leverage new housing, industry, and office and retail development throughout the city. Many such projects are designed and ready for construction.

Recognizing the importance of transportation investment, Chicago and Illinois will continue to do their part to fund these crucial projects.

We need the Federal Government to continue its productive partnership with us. Therefore, with the provision of adequate funding and the passage of appropriate policies, we look forward to this reauthorization bill as an avenue to strengthen and enhance existing programs, while identifying new ones.

First and foremost, Chicago needs significant increases in national highway and transit funding levels. Chicago's transportation system, although among the finest in the world, is in need of constant renewal, safety, and capacity improvements.

One Federal program of particular importance is the Highway Bridge Program. Under TEA-21, the discretionary Highway Bridge Program was funded at \$100 million annually, nationwide, with \$25 million of that set aside for seismic retrofit.

One bridge project alone in Chicago, the reconstruction of Wacker, will cost \$500 million when both phases are complete. We also have identified \$573 million in unmet bridge needs in the city, alone.

As I told you, Senator, Chicago has more movable bridges than any other city in the world. We are highly dependent on this network of bridges. We also recognize many other cities face similar daunting costs and challenges to renew their bridges.

Because Chicago is the third most congested region in the Nation, the Congestion Mitigation and Air Quality Program is a vital program. It funds congestion relief in our quality projects, including traffic signal interconnects, transit, and bicycle improvements; as well as the regional vehicle inspection and maintenance programs.

We are seeking funds to complete a traffic management center to improve traffic flow and emergency response. With more cities anticipated being eligible for CMAC funding, we urge the committee to increase the funding to a level that will keep current recipients at their current or increased levels to meet our air quality goals.

We also strongly support maintaining the firewalls. By doing so, Congress will be guaranteeing that funds collected for transportation will go toward transportation improvements. The firewalls also allow Government agencies to confidently plan and execute large scale, multi-year projects, which are so important to national prosperity.

Chicago is also aware of discussions to change the Federal allocation of transportation projects. Chicago strongly recommends staying at the 80 percent Federal share.

Last, freight rail is an often overlooked component of our Nation's transportation network. Part of it is the critical component of that network, and one for which Chicago is not only the national hub, but is also the national bottleneck.

A freight rail infrastructure program is needed to fund numerous projects. The city of Chicago is currently negotiating the Class One railroads. It will increase safety in our Nation's rail highway grade crossings and ease congestion on our railways and our roadways. A Federal program for rail infrastructure would make tremendous improvements to this currently unacceptable situation.

Senators with the renewal of Federal transportation funding, you have the opportunity to create jobs and stimulate the economy in a manner that will product long-lasting national prosperity.

During the reauthorization process, I ask that you keep in mind the importance of transportation to our Nation's economy, and the critical role that the State of Illinois and the city of Chicago play in the national transportation network.

Thank you very much for your time.

Senator INHOFE. Thank you, Mr. D'Escoto; let me assure you that I have talked with Senator Fitzgerald about your bridge situation, because Oklahoma has a very similar problem on a slightly smaller

scale. It is reaching the crisis point, and he has made that abundantly clear to me. Thank you very much.

Mr. Whitley?

**STATEMENT OF DOUGLAS WHITLEY, PRESIDENT, ILLINOIS
CHAMBER OF COMMERCE**

Mr. WHITLEY. Thank you, Chairman Inhofe and Senator Fitzgerald; my name is Doug Whitley and I am President of the Illinois State Chamber of Commerce. However, I am speaking to you today on behalf of more than 30 statewide and regional business and labor organizations from throughout Illinois, who are members of the Transportation for Illinois Coalition.

The Transportation Coalition is a broadly based group of interests that support the need for additional funding for all forms of transportation in Illinois, including transit and rail, as well as highway funding. However, my emphasis this morning will be on highways, as that is the focus of your committee.

Senator INHOFE. I think it is good to bring that out. For any other witnesses, actually, the rail is not a part of the jurisdiction of this committee; thank you.

Mr. WHITLEY. Transportation is a vital industry to Illinois, and plays a key role in determining the health of our economy. It contributes to the efficient manufacturing operations by allowing for just-in-time supply deliveries. It contributes one in six jobs to the State's workforce, and it contributes 5.3 percent of the State's gross product.

In these tough economic times, transportation funding increases can go a long way toward boosting the State's economy. I think it is important to underscore that public works is a significant part of what Government does.

Public works projects have a tremendous impact on the economy. First and foremost, they put people to work and they do it quickly. Second, public works results in well-maintained infrastructure that allows the efficient movement of goods and produce throughout the Nation. Maintaining this infrastructure requires constant vigilance.

We currently find ourselves with a heightened sense of awareness about the need for a strong transportation network for purposes of public safety. Illinois is uniquely positioned in the center of the Nation as a critical juncture for goods and produce traveling north and south, east and west.

While increased funding helps our economy, Illinois is not the only beneficiary when the transportation network is well funded. We are a microcosm of the Nation with respect to our transportation system.

Our transportation network is key to the Nation's ability to move people and goods, because of its geographic location and extensive road, rail, airport, and waterways network. I could give some examples, but I will depart from the remarks.

If there was one thought that I could have you go away from Illinois with, it would be the length of our State with southern Illinois extending further south than Richmond, Virginia and Lake Michigan extending far north of us.

What that means is, Interstate 90 from Montana, Interstate 94, Interstate 80, Interstate 70, Interstate 64, Interstate 44, Interstate

55, Interstate 24 all converse through Illinois. Even Interstate 65, which we think of as being an Indiana Interstate actually is part of the Chicago metropolitan network.

So the point, sir, is what happens in Illinois is critical to the economy of the whole country. If you could take that one thought home with you, I would be most grateful.

Senator INHOFE. I will definitely do that, Mr. Whitley, thank you very much.

We are not going to be doing questions, because we want to get your testimony. Incidentally, we will have questions for the record that we will submit to you. So we would excuse this panel and ask that panel No. 2 come forward; thank you all very much.

On panel two, we have Robert Schillerstrom, chairman of the DuPage County Board; James Pennekamp, Executive Director, Leadership Council for Southwestern Illinois; Ryan Petty, President Rockford Area Chamber of Commerce; Honorable Thomas Marcucci, Mayor, city of Elmhurst; Denise Bulat, Director of the Bi-State Regional Commission; and Dr. Piyushimita Thakuriah, Associate Director of Research Programs, Urban Transportation Center, Department of Urban Planning and Policy Board.

We would like to have all of you here. If you could abbreviate your remarks, I would appreciate it very much. We will start in the order that I introduced you, with Robert Schillerstrom.

**STATEMENT OF HON. ROBERT SCHILLERSTROM, CHAIRMAN,
DUPAGE COUNTY BOARD**

Mr. SCHILLERSTROM. Senator, my name is Robert Schillerstrom, and I appreciate your coming to Illinois to hear us. Senator Fitzgerald, I certainly appreciate your inviting me.

Since you have indicated that it is alright to stray from our remarks, I will do that. I have filed my remarks with you, and I will just seek to summarize them, so that you can move along.

DuPage County is a county of approximately one million people. We are larger than seven States. We are one of the most rapidly growing places in the country. Fifty years ago, we were 150,000 people. Now we are close to a million people.

Senator FITZGERALD. They are very Republican, too.

[Laughter.]

Mr. SCHILLERSTROM. Thank you, Senator, that is very true. We are also a job center. We have approximately 600,000 jobs now. Since 1970, 46 percent of the new jobs in the Chicago region have been developed in Dupage County. We ultimately will have 850,000 jobs. So we are a population center and a job center.

Obviously, when you have growth like that, there are many benefits. There are also certain burdens. We have struggled to keep up with our infrastructure requirements. We have sought, wherever possible, to do this ourselves.

Over the last 15 or 20 years, we have spent hundreds of millions of dollars of our own taxpayers money on improving our infrastructure. We have imposed a gas tax on ourselves that garners about \$11 million a year, and we have done what we could to try and make sure that our infrastructure keeps up with the growth.

We recognize that while we may be one million people, we are still part of a region. We are part of the Chicago region, which is

one of the great regions of our country. It is also a growing region. It is approximately eight million people now. It will be nine million people sometime in the future.

The thing that started our region to grow was transportation. What keeps our Chicago-land region growing is transportation. It is very important, not only to the Nation, but to the Chicago-land region and also to Dupage County that we continue to invest in our infrastructure. The State has been very responsible in doing that.

As Secretary Martin said, the State has invested through the Illinois First Program billions of dollars in improving the local infrastructure. However, we still have a variety of regional projects that cannot be afforded by the State, by Dupage County, or by this region. We must have Federal assistance.

First and perhaps foremost amongst those is western access to our airport. As you know, O'Hare Airport is the busiest airport in the world. There is only one major access to that. It does not make much sense.

In Dupage County, which is on the west side of the airport, we have to drive all the way around to the east side to get in there. That creates problems for our businesses over there. They are not able to receive the full benefit of being close to an airport.

It creates problems for our local communities because of increased local traffic, and it keeps development from taking place over there. Western access would provide an extension of the Elgin/O'Hare expressway, which does not go to Elgin and it does not go to O'Hare, into the airport; and then as for ring roads, up to the north, the tie-in with I-90, a major expressway running over the top of the airport, and then down south to 294.

This is a gigantic project. It would be beneficial for the entire region, and probably for the Nation. It would cost a billion and a half dollars. It is the type of project that the only way it can be done is if we have Federal assistance.

There are a variety of other major projects that we need Federal assistance on. We have projects locally, and there are other projects throughout the region.

We would greatly appreciate any assistance that the Federal Government could give us. We think that would be beneficial to the region and beneficial to the Nation, and also beneficial to DuPage County. Once again, thank you, and any assistance you can give us, we would greatly appreciate it.

Senator INHOFE. Thank you, Mr. Schillerstrom.

Mr. Petty?

STATEMENT OF RYAN PETTY, PRESIDENT, ROCKFORD AREA CHAMBER OF COMMERCE

Mr. PETTY. Chairman Inhofe, Senators, thank you for today's opportunity. I am Ryan Petty. I am the President of the Rockford Area Chamber of Commerce, 2000 business members, and the Rockford Area Council 100, our region's economic development organization. I represent an area that covers northern and northwestern Illinois from the outer outskirts of the Chicago suburbs to the Mississippi River.

In this region, we have more than 1,000 manufacturing companies. The manufacturing employment in this region of more than

600,000 people is roughly twice the percentage you find nationally in urban centers. Although we are perceived as small town and rural, we are a major manufacturing center and an important part of the Illinois and Midwestern economy.

We have an airport, the Greater Rockford Airport, that is the 23d largest cargo airport in the United States, based on land and cargo weight, and is a U.S. port of entry.

We are at the convergence of three major highway corridors funded by the United States Government: Interstate 90, Interstate 35, and U.S. Highway 20. Of these three, U.S. Highway 20 is the least developed, and is a terrific opportunity for business and commerce and logistics to have its development completed, as has been proposed these last 50 years.

IDOT numbers show that more than two million people are using this present and decrepid U.S. Highway 20 system. More than 200 accidents occur every year on this stretch of highway. There have been dozens of fatalities over the past decades on the current U.S. 20.

In one of those fatalities, which illustrates the way this can hit communities, Dr. Ruth Smith, the President of Highland Community College from Freeport, passed away this last year in a death fatality on U.S. Highway 20. Galena, Illinois, along U.S. Highway 20 is the largest single tourism attraction in the State of Illinois, outside of Chicago.

In 1991, the U.S. Congress approved funding for and it has now completed an environmental impact statement on U.S. Highway 20. In 2002, local agencies, with the help of a professional consultant, convened at a regional vision and economic development strategy conference that involved more than 3,000 of our citizens in northern and northwestern Illinois, and they set 14 regional initiatives as priorities. One of those is the completion of U.S. Highway 20 at four lane status.

Senator I just want to call to your attention the way this can play out for Chicago, for Illinois, and for the Nation. Union Pacific is about to complete construction on an intermodal facility at Rochelle, Illinois in the heart of this region, 1,200 acres of container port.

I will close my testimony at this time to save the time, but I want to thank you for holding this hearing. I want to say that your supplemental Federal funding that will enable State funding and local funding to get these jobs done is very important to our economic future.

Senator INHOFE. Thank you, Mr. Petty.

Dr. Thakuriah?

STATEMENT OF PIYUSHMITA THAKURIAH, ASSOCIATE DIRECTOR OF RESEARCH PROGRAMS, URBAN TRANSPORTATION CENTER, DEPARTMENT OF URBAN PLANNING AND POLICY, UNIVERSITY OF ILLINOIS

Mr. THAKURIAH. I would like to thank the committee for this opportunity to testify on Illinois transportation, the crossroads of our Nation.

I am here in my capacity as Associate Professor of Urban Planning and Policy in the University of Illinois, Chicago, and also as

the Associate Director for Research Programs in the Urban Transportation Center at the University.

The Urban Transportation Center conducts inter-disciplinary research relevant to local, State, and Federal transportation issues. Being located in the heart of so many of the country's transportation networks, we are fortunate to have a unique living laboratory for emerging research with practice.

I am pleased to let you know that we have submitted a written testimony on four key transportation research areas that are very relevant to this region. These are the areas of congestion mitigation, freight planning, asset management, and job accessibility for low income people.

I am here to speak in support of increasing transportation research funding for all of these issues, but I will speak today about one, which is the area of job accessibility for low income people. The Urban Transportation Center is very much involved in the research and analysis of this issue.

Low income people living in large cities such as Chicago, as well as small rural areas, continue to witness significant burdens in accessing jobs. In 1996, when the Welfare Law was passed, as many as 94 percent of Welfare clients did not own an automobile. Transit connections between jobs and where the bulk of the Welfare recipients live, inner city neighborhoods, and isolated pockets in the suburbs were limited and, in some cases, non-existent.

Since many entry-level jobs, which are appropriate for the educational and skill levels of these individuals, also start during off-peak time periods, job locations that are accessible during normal business hours are, in fact, very inaccessible during off-peak periods, as most transits serve peak period demand only.

The Federal Government's Job Access and Reserve Commute Program, which is called JAR, addressed this type of spacial and temporal mismatch of jobs. Transportation-related support, also designed to alleviate this job/housing mismatch for low income people also came from the U.S. Department of Health and Human Services, Labor, and Housing and Urban Development.

Continued funding at levels higher than TEA-21 are needed for reliable, safe, and affordable access to jobs by low income people. TEA-21 funded at \$715 million over 6 years, out of which \$350 million are general funds. In my view, given the needs, this amount is not enough.

Census housing data shows that the bulk of low income people continue to live in inner city neighborhoods with very long commutes, and are dependent on low paying jobs close to where they live, which remain the only options.

As our Nation confronts an economic downtown, the debate during reauthorization should be grounded in the recognition that while Welfare case loads in Illinois, like in many other States, are down, persistent poverty is still among us, especially in large metro areas and smaller isolated rural areas. Further, with the economic downturn, some of the encouraging gains in Welfare clients' employment outcomes may be reserved.

In Illinois in February, the unemployment rate was 7.2 percent, which was higher than the U.S. unemployment rate of 6.4 percent. The unemployment rates in Chicago, Rockford, and other metro

areas are higher than the Illinois average. In general, the economic downturn has hurt occupations where low income workers are employed, and also areas where low income families are most likely to reside.

Senator INHOFE. Dr. Thakuria, I would ask you to come to a conclusion here. We will be receiving your entire testimony, so that we can study the statistics.

Mr. THAKURIAH. I wish to thank the Senators for my testimony. If I could make any clarifications from my written testimony, I would be happy to do so.

Senator INHOFE. Thank you very much, Dr. Thakuria.

Mr. Pennekamp?

**STATEMENT OF JAMES PENNEKAMP, EXECUTIVE DIRECTOR,
LEADERSHIP COUNCIL OF SOUTHWESTERN ILLINOIS**

Mr. PENNEKAMP. Thank you, my name is Jim Pennekamp. I am Executive Director for Leadership Council of Southwestern Illinois, as well as a member of the Transportation for Illinois Coalition.

My organization is an economic development corporation. It is a membership group that includes individuals in government, business, labor, and education, organized to do one thing and one thing only, and that is to encourage business investment in downstate Illinois and specifically southwestern Illinois.

I would also like to mention a quote from Abraham Lincoln. I think he nailed it when he said, "Commerce follows transportation." That is the relationship, and we have to have adequate and ever-improving transportation in order to support economic development.

The project I would like to talk about today, I think was mentioned today already by the Secretary. It was to do with the Mississippi over-bridge system in downstate Illinois, as part of the St. Louis metropolitan area.

What we have is a situation where 35 years ago, we had 22 lanes crossing the Mississippi area in the core area of the St. Louis metropolitan area. Today, we are down to 12 lanes. That is because bridges have been closed. The infrastructure is aging.

The loss of those vehicle lanes across the Mississippi River is now threatening the free flow of national commerce and it is emerging as a national security threat.

The bi-state St. Louis/Missouri metropolitan area is a cross roads for national commerce. It is the second largest freight hub in the midwestern United States.

Four interstate highways: 70, 55, 40, and 44 converge in the core metropolitan area. However, three of those interstates are routed over one Mississippi River bridge. In fact, the bi-state St. Louis metropolitan area is the only area in the United States that routes three interstate highways over one bridge.

The vulnerability of that interstate system throughout St. Louis was brought to light in the recent Post Dispatch article citing Mississippi River Bridges as potential terrorist threats. The March 27, 2003 article stated that, "Homeland Security officials have long recognized the Popular Street Bridge as a potential target." It carries three interstates: 55, 64, and 70, and accommodates 35 percent of

the car and truck traffic across the Mississippi River in the St. Louis region.

The Popular Street Bridge is severely over-burdened. Its capacity is inadequate to meet the needs of through-motorists, including truckers, traveling on and between the many interstates in the region.

It has got a 30-year-old design that is sub-standard. The Illinois Department of Transportation traffic projections show conditions on that bridge corridor will worsen and traffic will fail on all key interstate highways approaching that bridge by the year 2020 if nothing is done.

The bridge is expensive, but it is not only a bridge project. We are talking about the need to relate I-70 to build a connector with Interstate 64, to do appropriate improvements on the Missouri side of the river. The bridge itself is about one-third of the total cost of this project, which is \$1.6 billion.

We have already committed \$300 million to this one project, and the kinds of improvements being made now will stand on their own.

It is clear that this type of a project cannot be done without major assistance from the Federal Government. It enjoys support, both from Missouri and Illinois. Both Departments of Transportation have been working on this project. It is about 10 years old. There was a positive record of decision on the project in 2001.

Anything that you all could do in terms of the reauthorization legislation to fund megaprojects of this sort, which are absolutely necessary, would be appreciated.

Senator FITZGERALD. If I could ask you a real quick question, is it true that on that bridge project, between St. Louis and Metro East St. Louis, that Illinois has committed some local funds, and Missouri really has not put up much in the way of local funds, at this point? Is that true?

Mr. PENNEKAMP. Both Missouri and Illinois are committed to the project. In fact, appropriate letters signed by both Secretaries of Transportation from both States will be forthcoming.

Senator FITZGERALD. Will Missouri have a local match, too?

Mr. PENNEKAMP. Yes.

Senator FITZGERALD. Good, but we want to count that against Missouri's transportation.

[Laughter.]

Senator INHOFE. Thank you very much.

Ms. Bulat?

STATEMENT OF DENISE BULAT, EXECUTIVE DIRECTOR, BI-STATE REGIONAL COMMISSION

Ms. BULAT. Thank you very much, my name is Denise Bulat. I am the Executive Director of the Bi-State Regional Commission, and I appreciate the opportunity to speak before this distinguished committee.

Mississippi River crossings in the quad-city area are our highest transportation priority. Over 150,000 vehicles cross the Mississippi River every day in the quad-cities. Half of them cross on the I-74 bridge.

There is an urgent need to address the I-74 bridge corridor. Because it is carrying 74,000 vehicles a day, the bridge is functionally obsolete. The Iowa-bound span was built in 1935. The Illinois bound span was built in 1959, to the 1935 design. Both spans were built for local traffic. There were not built as an interstate. Therefore, they never, ever met interstate standards.

In fact, the I-74 corridor has accident rates in some locations that are three times the national average. The I-74 bridge is extremely important to the commerce of the quad city area. Interstate 74 is a north/south corridor throughout the quad cities. We have a population of 350,000, so the bridge serves that population.

The quad city area, within a 300 mile radius, has a 37 million person market area, which serves 13 percent of the Nation's population and, therefore, the quad cities, from a commerce perspective, focus on our transportation logistics.

Now the I-74 corridor is on the national highway system. It, too, is not just a bridge. It runs from 53d Street in Davenport, Iowa to 23d Avenue in Moline, Illinois, which is over five miles.

It has completed its major investment study. The I-74 corridor study is currently going on right now, with the draft final EIS expected this summer. The balance of the final EIS and the record of decision work will be done in 2004, with completion in 2005.

We have already received appropriations in amounts over \$14 million toward these efforts. The estimated cost of this project in 2002 dollars is \$600 million to \$650 million.

We would request the identification of this project as a high priority need in the 2003 Transportation Act, and that significant programs for discretionary bridge and interstate maintenance be created in the act, also.

Again, I thank you for the honor to speak to this committee.

Senator INHOFE. Thank you, Ms. Bulat.

Last is Mayor Marcucci. I often tell my friends in the U.S. Senate, if you want to know what a hard job is, be a Mayor. I was a Mayor for four terms in the city of Tulsa.

Mr. MARCUCCI. God bless you.

Senator INHOFE. When you are a Mayor, there are no hiding places.

[Laughter.]

Mr. MARCUCCI. No, there are not.

STATEMENT OF HON. THOMAS MARCUCCI, MAYOR, CITY OF ELMHURST, REPRESENTATIVE OF CATS [CHICAGO AREA TRANSPORTATION STUDY]

Mr. MARCUCCI. Thank you, Senator Inhofe, Senator Fitzgerald, I am Tom Marcucci. I am the Mayor of the city of Elmhurst. Just to put that in perspective on the map, it is located 16 miles due west of where we sit at this moment, in the heart of the Chicago metropolitan area.

Soon after I was elected as Mayor, I realized that being a Mayor is about much more than the 10 square miles that make up my suburban community. I realized that Mayors, unlike any other local elected officials, have the opportunity and, in fact, the responsibility to address regional issues.

Virtually every regional body that we have created to deal with area-wide issues, from transportation to environment to planning, include Mayors, on advisory boards and on committees, et cetera. The Pace Suburban Bus Board, of which I am a member, is an example of that. To be on the Pace Suburban Bus Board, you must be a Mayor.

I am here today representing one of those regional organizations, CATS. CATS is not, as you may be assuming, the Broadway play. CATS is the Chicago Area Transit Study, the Metropolitan Transportation Planning Organization for Northeastern Illinois. CATS is responsible for long-range planning for surface transportation, streets and highways, public transportation, bus and rail. CATS was formed in 1955 and now includes the six urbanized counties of Northeastern Illinois.

CATS is the only agency in this area that provides involvement of all transportation agencies and providers; integration of individual plans for all of these services; prioritization of specific projects for both funding and scheduling; funding for sub-regional transportation planning and for local transportation in congested mitigation projects; cataloging the future plans and projects; and coordination and collaboration with the Northeastern Illinois Planning Commission, our area-wide comprehensive land planning organization.

CATS is now in the process of preparing the 2030 regional transportation plan for the RTP. The RTP will focus on the transportation strategies, improvements to existing systems, and new major capital projects that are recommended to meet the transportation needs of our region for the next 25 years.

If you want to know what transportation projects and improvements are needed in Northeastern Illinois over the next 25 years, you need look no further than the RTP. If you want to know the priorities of the agencies, local government, and the public, you need look no further than the RTP.

If you want to make sure that the economic and environmental impacts of the proposed projects have been evaluated, again, you need to look no further than the RTP.

We here in Illinois have heard comments that when the Transportation Equity Act of the 21st Century was passed 6 years ago, Illinois received less than its fair share of funding because of infighting between agencies, and because we did not have our act together here, or because none of the projects were on a coordinated list.

I cannot promise you that you will not get a long list of projects from everyone in the Metro area, but I would ask you to not confuse a wish list with a needs list. There is an extraordinary backlog of transportation projects that are needed in our area. There are more projects needed in this area than this or any future Congress will be able to fund.

So how do you sort out the virtually important from the really important? Again, you just look to the RTP. We do have our act together here in Illinois. We do have our priorities set, and we will have our needs lists fiscally constrained.

As I mentioned earlier, CATS is in the process of preparing the 2030 RTP. Since June of 2001, the transportation agencies, the

local governments, the State of Illinois, and working boards of committees of CATS have been creating the draft RTP document. That document includes projects representing all modes of transportation from every part of the region, including the innovative bus, ramp, and transit proposal from my very own DuPage County.

But that draft is not yet fiscally constrained. There are more projects listed than we expect to have money to build. Now our draft, with all its options, all its projects, all the opportunity for future transportation improvements will be presented to the public of the region.

They, the public, will select the final list of the projects that we will use for funding decisions for the next 25 years; not the bureaucrats, not the Mayor of the city of Elmhurst, but the public will have input on these choices.

Let me close my testimony with a few comments on the reauthorization of TEA-21. First, there are some technical changes that we are proposing to improve procedures and policies of the act. Those are included in the supplemental material that has been provided in advance of the meeting. I encourage you to review those and include them in your reauthorization, because they will make the process of implementing the plans easier.

Last, I would ask that you please act on the reauthorization quickly. We need reauthorization this year. We need funding increased and we need to move forward on the new projects that will benefit the entire Chicago-land area. A continuing resolution will not accomplish that. We need the certainty of a reauthorization, which guarantees funding in order to prioritize and to schedule our projects efficiently.

Mr. Chairman, I thank you for your attention.

Senator INHOFE. I thank you very much, Mayor. We will dismiss this panel now and ask for the other panel to come forward. I have to tell you that as I listen to each one of you on the various projects, I can assure you, I have heard about these projects from Senator Fitzgerald many, many times. So I am becoming an expert in this area. So I appreciate that very much.

If you would excuse yourselves, and let the next panel sit down. Let me make an announcement. I had hoped that I would be able to get out with a group to Miegs Field during this visit. I find out now that with the last flight that I can get out to get to my commitments, I will not be able to do it.

So I am going to do it on my next trip through Chicago, and I hope that those individuals who had been nice enough to host me to go out there will keep that in mind, so we can do it in the next few days.

Now we have our next panel. Most of this panel are people who are going to make all this stuff happen: people in the construction industry, the Caterpillar industry, the stone and gravel industry, the AFL-CIO. We have the Illinois Farm Bureau here, Mr. Warfield, and we have another Mayor from Olympia Fields.

Senator FITZGERALD. I am wondering if we could allow the Mayor from Olympia Fields to testify first, because he has got a commitment.

Also, I am wondering if all of you could and keep it to maybe a minute or so, because Senator Inhofe and I have to catch a flight

out of O'Hare to be back for votes late this afternoon in Washington. We apologize for the abbreviated schedule, but thank you.

The Mayor of Olympia Fields, Linzey Jones, maybe if he could speak first, because he has another commitment and he has been waiting patiently; thank you, Mayor.

Senator INHOFE. I already told you what I think about Mayors, so there is no objection to that. But I think we can still make that plane if each one takes about 3 minutes, but not to exceed that. All right, Mayor, you are on.

STATEMENT OF HON. LINZEY JONES, MAYOR OF OLYMPIA FIELDS, PRESIDENT OF SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION

Mayor JONES. Thank you, Chairman Inhofe and Senator Fitzgerald. It is our pleasure to have an opportunity to speak to you today. I am President of the Village of Olympia Fields and the South Suburban Mayors and Managers Association.

I am also here in my capacity on behalf of the Chicago Southland Alliance, representing a 70 community area, comprising southern and southwestern Cooke, and representing approximately 1.5 million residents in that area.

This is probably one of the most diverse, most ethnically and racially diverse areas in the country; yet, it is one of the most economically challenged areas in the country, Mr. Chairman. We are here today in support of the Transportation for Illinois Coalition's agenda, and we hope that favorable consideration will be given to that.

The Chicago Southland has a special interest in road transportation issues because a fact of the matter is, Mr. Chairman, that while the State of Illinois boasts five of the Nation's transcontinental interstates in its highway network, three of those five traverse through the Chicago Southland.

So such improvements that are needed in the Region are especially important to the Chicago Southland, and especially important to the Nation's interstate transportation system.

Therefore, I just want to thank you. I will limit my remarks to that, and simply ask you to look favorably on the transportation issues, and especially the road surface transportation issues that affect the Chicago Southland. Thank you, Mr. Chairman.

Senator INHOFE. Well, we will certainly do that. But I was kind of wondering, I am familiar with how racially diverse it is. How did they ever elect a guy named Jones?

[Laughter.]

Mayor JONES. Well, I bring a lot of racial diversity to the table myself, Mr. Chairman.

Senator INHOFE. All right, Ms. Blackshere?

STATEMENT OF MARGARET BLACKSHERE, PRESIDENT, ILLINOIS AFL-CIO

Ms. BLACKSHERE. Thank you very much, my name is Margaret Blackshere. I am the President of the Illinois AFL-CIO. I am also a part of the Transportation for Illinois Coalition.

The AFL-CIO, central labor bodies such as the Chicago Federation of Labor, and many of our affiliates are a part of this orga-

nized effort in Illinois, designed to convince you and Senator Fitzgerald and our other colleagues in Congress, needs no convincing that Illinois deserves more funding to support its transportation infrastructure.

The private sector and labor must depend on Government for its transportation system. The Government provides the overall planning and resources to develop and maintain our transportation system. Our Nation's economy is totally dependent on our interconnected, fully functioning, multi-modal transportation system.

It is obvious that a greater investment is needed in our infrastructure nationwide, where many of our aging interstates and bridges are in poor repair.

Illinois deserves a bigger share of the Nation's transportation funding to more closely reflect the key role we play in hosting a critical junction in the Nation's infrastructure.

I cannot over-emphasize how much transportation funding matters. Of course, it means jobs, which is one of the reasons why I am here today. Of course, it affects our quality of life and the cost of goods and services.

For the thousands of Illinois residents whose jobs will be affected by your decisions in Washington, I ask for your help in winning increased funding to support Illinois' transportation network.

We here testifying today, and each of us have our own constituencies and interests to represent. Mine is organized labor, which represents one million members in Illinois. We strive to represent the interests of all working people. Yet, we are united in our appeal to you for more resources for transportation in this country, and for the pressing transportation needs in Illinois.

You, as Senators, must take a global view of the needs of our entire Nation, and you will undoubtedly see that Illinois merits greater attention and resources to keep our national transportation system strong; thank you.

Senator INHOFE. Thank you, Ms. Blackshere, and certainly, there is nothing that can be done as more of a jobs program than what we are talking about today.

Mr. Warfield?

**STATEMENT OF RONALD WARFIELD, PRESIDENT, ILLINOIS
FARM BUREAU**

Mr. WARFIELD. Thank you, Chairman Inhofe and Senator Fitzgerald for having this hearing and the opportunity to present testimony to you this morning.

I am a farmer from central Illinois, and the President of the Illinois Farm Bureau, which represents three out of four farmers in the State of Illinois.

You have already been told many times about Illinois being the crossroads of transportation, so I will not repeat those comments that have already been made. But to remain a global leader in trade, we obviously need an investment in our infrastructure to maintain our competitive advantage.

With that in mind, I would like to mention several mechanisms of transportation that we need investment in, in order to maintain that competitive advantage.

First of all, we believe strongly that the Highway Trust Fund should be protected. Funds that were collected from highway users for highway purposes should be spent on highway projects.

For example, highway users should not bear the brunt of funding recreational trails. Similarly, consistent with that philosophy, we support Senator Grassley and Senator Baucus' proposal that retains dollars within the Highway Trust Fund, while maintaining the incentive for ethanol.

We feel retention of the tax incentive is needed to foster an emerging ethanol industry, and it can help our country become energy independent.

It can create jobs, rural economic development, improve air quality, and help farmers receive their income from the market place and not from Government programs. But in order to do that, we need to ensure that the Highway Trust Fund is maintained.

Similar to that philosophy, we believe that if we are going to maintain our exports and a competitive advantage in Illinois, 40 to 45 percent of what we produce goes into the export market. But to maintain that competitive advantage, we have to have investment in our infrastructure.

Chicago and St. Louis are among the Nation's top 30 ports of cargo volume. Unloading, loading, access to ports by road rail should be a focus of improvement projects.

Rail competition and capacity is critical to an efficient transportation infrastructure. Short rail lines need assistance in their efforts to move grain efficiently. As part of the infrastructure and, although it is not a focus of TEA-3, and I think I can show that it is relevant, is our river system.

The locks on the Illinois and Upper Mississippi River are nearly 70 years old. It takes far too long to move through these antiquated structures. Those delays are estimated to cost farmers six cents per bushel.

Of course, the more it costs to transport grain, the less competitive we are to meet the lower costs of South America. Argentina and Brazil are obviously making those kinds of investments in their infrastructure, and to be competitive, we must invest in our infrastructure, as well.

Barges are the most efficient means of transporting that cargo. Just let me give you this as an example. One barge has the same capacity of 870 semi loads. That means more barges. That means fewer trucks on the road, less congestion, less wear and tear on our highways, and cleaner air.

The Farm Bureau supports the building of 1,200 locks on the Illinois River at Peoria and LaGrange, and at five lower sites on the Mississippi. If we succeed, it will create those jobs and create jobs in terms of the construction, as well as what we do in terms of the transportation afterwards.

Let me give you an example.

Senator INHOFE. Well, make it a short example, we are running out of time.

Mr. WARFIELD. The example I have is, we had a group return from China a few years ago that said they cannot even ship corn from the northern production area down to southern China, in

order to meet that demand. We can ship it in there from the outside cheaper.

Today, I can give the same example for Illinois corn and soybean meal going to the Carolinas to feed hogs and poultry in North and South Carolina. We can bring it in from the outside cheaper because we do not have the infrastructure in order to get it down the river or by rail to North and South Carolina. We need an investment of our infrastructure to maintain our competitive advantage in global markets.

Senator INHOFE. Let me assure you, Mr. Warfield, that I doubt if anyone in this room is aware that my hometown of Tulsa, Oklahoma is navigable. We are on a navigation way.

So we are very deeply interested. We understand how it affects you and the people you represent, and we are going to try to assist you in that respect.

Mr. Feltes?

STATEMENT OF RICHARD FELTES, CHAIRMAN, NATIONAL STONE, SAND AND GRAVEL ASSOCIATION

Mr. FELTES. Good morning, my name is Richard Feltes. I am Vice President and co-owner, along with Timothy Feltes, in the Feltes Sand and Gravel Company in Albert, Illinois. We represent the third generation in a family business that was started in 1920 by my grandfather and great uncle.

Our company currently employs 35 full-time employees. We are located west of Chicago in King County, Illinois. A major part of our business is supplying sand and gravel products to concrete and asphalt producers for use on major highway projects within our market.

I would like to thank you, Mr. Chairman, for your leadership through the completion of the fiscal year 2003 highway funding and the current fiscal year 2004 budget process. Given the country's fiscal condition, these are not easy battles. However, you have demonstrated the tough leadership necessary to win those battles.

I would also like to thank Senator Fitzgerald for inviting me here to showcase the importance of TEA-21 reauthorization to all of us here in the great State of Illinois.

Currently, I serve as Vice Chairman of the National Stone, Sand, and Gravel Association; and chairman of the Association of Government Affairs Division. As SSGA represents the Nation's aggregates industries, producers of crushed stone, sand, and gravel, as well as suppliers of equipment and services to aggregate producers.

Our 850 member companies turn out 90 percent of the crushed stone and 70 percent of the sand and gravel consumed annually in the United States.

During 2002, a total of 2.73 million metric tons of crushed stone, sand, and gravel valued at approximately \$14.6 billion were produced and sold here in the United States. Our industry workforce is made up of 120,000 men and women throughout the United States. Virtually every congressional District is home to crushed stone sand and gravel operation.

Proximity to market is high, due to construction costs. So 70 percent of our Nation's counties include aggregates operations. While I appear this morning representing the aggregates industry, I also

appear as a member of the Board of Directors of the Illinois Association of Aggregate Producers. IAAP is also a member of the Transportation of Illinois Coalition for Highways.

The Federal Aid Highway Program is one of the United States Government's most successful programs. Since 1956, in partnership with the States, it has financed construction and upkeep of the largest and safest national network of highways and bridges in the world.

No program is more critical to the economy of Illinois than the Federal funding for transportation needs. The Illinois transportation system plays a pivotal role in the Nation's ability to move goods and people because of its geographic location and extensive road, rail, airport, and waterway networks.

Consider this, the U.S. highway, bridge, and infrastructure has an asset value of \$1.4 trillion, and publicly financed highway construction, directly or indirectly, is responsible for 2.2 million American jobs. The aggregates industry alone contributed nearly \$43 billion to the gross domestic product in 2001.

Senator INHOFE. Mr. Feltes, I will have to ask you to end with that, because we are almost out of time.

Mr. FELTES. Thank you, Mr. Chairman, and I appreciate the opportunity to speak.

Senator INHOFE. I am sorry that we must end the hearing so soon.

Ms. Castle?

**STATEMENT OF RITA L. CASTLE, ISSUES ANALYSIS
MANAGEMENT CORPORATION AFFAIRS, CATERPILLAR**

Ms. CASTLE. Good afternoon, Mr. Chairman, and thank you for coming to coming to Chicago on sort of a dreary day to talk to us about the importance of highway funding.

I do not think it would be a surprise to anybody in this room that yellow machines, like the one that is sitting here in front of the table, have really been a major contributor to developing our infrastructure, particularly our highways and, to some extent, our bridges, throughout the United States.

So a strong and viable surface transportation program is critically important to our bottom line, about \$1 billion a year in sales of these products into the industry, to the movement of goods and services into and out of our facilities, and to the safe transport of our employees.

I have included in our written testimony some of the central Illinois projects that are important to Caterpillar. If I could just jump to a few recommendations for you, on the not enviable task of reauthorizing TEA-21 this year. We do hope it will be done this year, but we realize it is going to be a struggle.

First of all, let me indicate that we hope that we will preserve the gains that were made in TEA-21, dedicating all revenues into the Highway Trust Fund and the mass transit programs, while maintaining the Federal firewalls and the budget guarantees that protect the user fees from being diverted to non-capital expenditures.

Second, I believe we must invest the growing balance in the Highway Trust Fund, now estimated at about \$18 billion, and cap-

ture revenue loss to the ethanol tax breaks that are currently on the books.

But these measures alone are really not going to meet our infrastructure needs and funding needs. So we must consider some kind of additional user fee, whether it be indexing the motor fuel tax or a straight increase in the motor fuel tax.

We think that is critically important, and we would simply want to echo again what has been said earlier, that we really need to have this reauthorization done as quickly as possible, hopefully in this fiscal year.

Senator INHOFE. Let me assure you, we are really trying to squeeze as much out of this as we can. We talked about the ethanol subsidy, and we have not really closed the door to indexing. Nonetheless, we recognize the need for additional funds.

Ms. CASTLE. Good, and we would be happy to work with you, Mr. Chairman, as it moves forward, and with Senator Fitzgerald. With that, I will conclude my remarks.

Senator INHOFE. Thank you, Ms. Castle.

Mr. Lorig?

STATEMENT OF DAVID LORIG, PRESIDENT, LORIG CONSTRUCTION COMPANY

Mr. LORIG. Thank you, last but not least.

Senator INHOFE. That is your place in the line; sorry about that.

Mr. LORIG. That is all right. My name is David Lorig. I am President of Lorig Construction, a highway contractor located in Des Plaines, Illinois, just outside of Chicago.

I am also the President-elect of the Illinois Road and Transportation Builders Association, the largest association of transportation designers, contractors, subcontractors, and suppliers in Illinois. Our members employ tens of thousands of people in the transportation industry throughout Illinois.

Currently, our system in Illinois is aging and deteriorating. Despite the best design and maintenance practices imaginable, the pavement is crumbling and the bridges have become perilously deficient.

Additionally, millions of hours are wasted daily in stress-creating traffic jams in literally every urban area. Probably no where else in the Nation provides a better or worse picture of this situation than the Chicago area and the entire State of Illinois.

Additionally, road building means jobs, literally thousands of them. Illinois enjoys the dubious distinction of currently having one of the highest unemployment rates in the Nation. Road and bridge building provides not only constructions jobs while the projects are underway, but thousands of additional jobs afterwards.

Illinois is quite unique, and we simply cannot exist without a viable and adequately funded national network of roads and bridges. Yet, much of that system is congested for the better part of the day.

We are coming dangerously close and, in many cases, have already reached the point of businesses not making certain investments and individuals not making certain trips merely because of congestion. We can and need to do better in Illinois.

Finally, we need to maintain the highest commitment to improving traffic operations, both daily and in work zones. Last year, 31 people perished in Illinois work zone related accidents. We can and need to do better in Illinois.

As we kick off Work Zone Awareness Week this week, let us all resolve to support increased safety in work zones by slowing down.

Please let me summarize. Road building means jobs held by thousands of technical and skilled individuals, performing often back-breaking dangerous jobs. These people pay taxes and make the economic engine called Illinois work.

However, the system that was created nearly 50 years ago is terribly congested, deteriorating, and in dire need of technical and financial assistance, designed to maximize the public expenditure of funds. In addition, we have to use technology innovation, research, and just plain common sense to make the system work better.

The needs of the various States need to be equitably addressed so that each State gets what it needs to keep our country moving. The Chicago area and the entire State of Illinois are at the crossroads of the Nation. Transportation problems in the Chicago area and the entire State of Illinois have a snowball effect throughout the rest of the Nation.

Therefore, the needs of Chicago and Illinois must be addressed with the highest commitment, both financial and otherwise from the Federal Government; thank you.

Senator INHOFE. Thank you, Mr. Lorig, and I want to thank you and all the previous panelists for the time that you have given. I am sorry that the votes require us to leave immediately. But I also want to thank Senator Peter Fitzgerald, who invited me to be here and to attend the first of our hearings, right here in Chicago, thank you.

Senator FITZGERALD. Thank you all very much.

[Whereupon, the committee was adjourned, to reconvene at the call of the chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF TIMOTHY W. MARTIN, SECRETARY, ILLINOIS DEPARTMENT OF
TRANSPORTATION, SPRINGFIELD, IL

Mr. Chairman, I appreciate the opportunity to speak before you today concerning Illinois transportation needs. I want to thank you for taking the time to travel to Chicago to see firsthand Illinois' extensive and impressive transportation system. I also want to thank Senator Richard Durbin and Senator Peter Fitzgerald for their strong support of Illinois transportation. The people of Illinois greatly appreciate their efforts to maintain and improve Illinois' world-class transportation system.

Illinois is the transportation hub of the Nation. Given its central geographic location in the United States and historical prominence in agriculture, manufacturing and commerce, Illinois has developed an extensive and intensively used system of transportation and transportation services.

There are over 288,000 lane miles of public highway in Illinois that carries over 102 million vehicles miles of travel annually. Overall, Illinois ranks third in total highway centerline-miles, third in total lane-miles, seventh in vehicles miles of travel, and fifth in total population but only eighth in highway funding.

In addition, Illinois has the second largest public transit system in the Nation. The Illinois Department of Transportation (IDOT) provides technical assistance and administers State and Federal funding to 50 public transit systems with 5,700 transit vehicles serving approximately 600 million passengers a year. The largest system, which carries more than 95 percent of the transit riders in Illinois, operates in northeastern Illinois under the Regional Transportation Authority (RTA).

With its 7,300 route-mile network, Illinois has the second largest rail freight transportation system in the Nation, which is the principle mode of transport for

commodities such as coal and grain. In addition, Amtrak provides passenger rail service across the State, including 18 State-supported trains that serve more than 15 colleges and universities in Illinois. There are 50 Amtrak trains per weekday serving 3.6 million passengers a year. Chicago is a major national hub for Amtrak and is the transfer point for ten regional and transcontinental routes.

Finally, Illinois' air transportation system, the second largest in the Nation, is comprised of 120 public use airports, including Chicago's O'Hare International Airport, one of the world's busiest airports.

The extensive system reflects the dominant presence of transportation in Illinois where one of every five jobs is related to transportation, including construction jobs that are directly created by public investment in transportation. In fiscal year 2002 alone, 86,000 private sector jobs in highway construction, 27,000 jobs in public transportation and 3,800 jobs in aviation were created. On a national level, for every one billion dollars invested in Federal highway and transit infrastructure, 47,500 jobs are created and \$6.2 billion in economic activity is generated.

IDOT is responsible for the planning, design, construction, operation and maintenance of the 17,000-mile State highway system, which carries 230 million vehicle-miles of travel daily. IDOT also is also responsible for the administration of the local roads and streets program.

One of IDOT's critical responsibilities is keeping the State's 2,165-mile interstate highway network in good condition. This is an extensive highway system, the third largest in the Nation, which serves the diverse needs for passenger and freight travel within and through the State. More than 50 percent of all goods that are shipped on highways move on the interstate system. In addition to their heavy use, Illinois' interstates are among the oldest in the Nation. That combination increases and accelerates rehabilitation needs.

The Interstate system is aging and, for a rapidly increasing number of segments, in Illinois and throughout the Nation, it is no longer economical or efficient to simply patch and resurface pavements. For many miles of the Interstate highway system, complete reconstruction is now necessary and is very costly.

For example, 2 years ago, it cost \$1.6 million for some partial resurfacing on the Dan Ryan Expressway (I-94) in Chicago. The scheduled and necessary reconstruction over the same stretch of road will cost \$66 million per mile. Even the upcoming reconstruction of a basic four-lane urban Interstate through Peoria, Illinois is estimated to cost \$50 million per mile.

Illinois has identified serious Interstate reconstruction and capacity needs through the year 2017. From 2000 to 2008, we have or we will reconstruct and add capacity for 125 miles of the Interstate highway system at a cost of \$2.9 billion. From 2008 to 2012, we will need to reconstruct and add capacity for 460 miles at an estimated cost of over \$8 billion. Finally, from 2012 to 2017, we plan to reconstruct and add capacity to another 370 miles at an additional cost of \$6.6 billion.

IDOT is also responsible for the planning, design, construction, operation and maintenance of nearly 26,000 bridges, of which approximately 5,000 are deficient. This number does not reflect the need for new bridges, such as the new Mississippi River Bridge (MRB).

Southwestern Illinois and St. Louis, Missouri need another high capacity, urban-core river crossing. The eight-lane Poplar Street Bridge, the only core-area interstate Mississippi River crossing is severely overburdened, and its 40-year-old design is now substandard. The bridge carries traffic for three interstate highways: I-55, I-64, and I-70. These roads also share the same two-mile approach to the bridge on the Illinois side, which results in extreme congestion during peak travel periods.

If no improvements are made, projections indicate severe traffic congestion on all key interstate highway segments by the year 2020. Without the new bridge, rush hour congestion will double, lasting for 3 hours; the average delay will increase from 10 minutes per vehicle today to 55 minutes in 2020. This gridlock could force commerce to the edges of the region, jeopardizing growth and development in the urban core. The MRB is necessary to sustain the kinds of growth envisioned by St. Louis 2004, Downtown Now!, the National Stockyards redevelopment and related core-area plans and proposals.

MRB land acquisition and Phase II engineering for contract plans are under way at a cost of \$38 million. Continuation of this work, as well as other pre-construction work, is included in Illinois' fiscal year 2003-FY2007 Proposed Highway Improvement Program at a cost of \$18.3 million. Missouri and Illinois are sharing the engineering costs for contract plans.

Construction of the MRB, including Illinois and Missouri connectors, is estimated to cost more than \$1 billion. Illinois and Missouri will require special Federal funding over and above regular program funds to pay for the construction of the MRB.

Preserving the condition and performance of the Interstate highway system, as well as bridges, is a key priority in Illinois and throughout the Nation. The Discretionary Interstate Maintenance and Discretionary Bridge programs are essential to address the extraordinarily high cost Interstate and bridge projects that require exceptionally large levels of funding over short periods of time. Such projects cannot be practically accommodated within a State's regular formula apportionment.

Unfortunately, the need for Discretionary Interstate Maintenance and Discretionary Bridge funds is far greater than the programs' current funding levels. Many qualifying and deserving projects go unfunded under today's program levels. The magnitude of requests for these two programs clearly demonstrates the need for increased funding. We urge the committee to provide increased funding levels in the reauthorization legislation to meet the funding needs of all qualifying interstate maintenance and bridge projects.

Illinois also supports an increase for Intelligent Transportation System funding to assist us in providing homeland security to the citizens of Illinois and the traveling public. Only through new and expanded technology can we provide the level of security the public demands.

One of the most significant achievements of the Transportation Equity Act for the 21st Century was the implementation of provisions that ensured that all Highway Trust Fund (HTF) revenues were promptly utilized for highway and transit purposes as intended. We believe that this precedent should absolutely be followed in the reauthorization legislation.

Specifically, we recommend that the reauthorization legislation set total highway authorizations based on total projected HTF-Highway Account revenue. Second, it should utilize the existing "firewall" or other budget mechanisms to ensure that all funds authorized for each year can be spent. Third, it should refine the Revenue Aligned Budget Authority mechanism to curtail large swings in the annual adjustment.

Similarly, we believe that the reauthorization legislation should set transit authorization levels based on projected Mass Transit Account receipts along with a continued and guaranteed level of general funds. The reauthorization legislation should also continue the logical mechanism in TEA-21 and previous authorizations of distributing transit formula funds based on needs factors, such as population, bus vehicle miles and fixed guideway route and vehicle miles.

TEA-21 provided an historic increase in Federal surface transportation funding, increasing highway funding by 44 percent. Unfortunately, Illinois received only a 29 percent increase in funding, the third lowest increase in the Nation. Despite the size and importance of Illinois' transportation system, our overall share of funding actually decreased under TEA-21.

In response, the Governor of Illinois, along with the Illinois General Assembly, created Illinois Funding for Infrastructure, Roads, Schools and Transit, commonly referred to as Illinois FIRST. Illinois FIRST is a 5-year, \$12 billion infrastructure-funding program that increased State revenues for improvements to our roads, transit systems, airports and passenger and freight railroads.

Under Illinois FIRST, the State has increased funding for its 5-year highway program by over \$3.7 billion and has added \$2.1 billion in funding for its transit program. Overall, Illinois FIRST has added over \$8 billion worth of transportation related infrastructure improvements in a 5-year period, which will end June 30, 2004. Specifically, over the 5-year life of Illinois FIRST, we were able to:

- Repair and rehabilitate 1,500 bridges,
- Resurface 4,415 miles of roadway,
- Rehabilitate 795 miles of Interstate,
- Reconstruct two rapid transit lines in the City of Chicago, and
- Extend and modernize three commuter rail lines in the suburban Chicago area.

Most importantly, Illinois FIRST has allowed us to better leverage limited Federal funding and has helped fill in the gaps in Federal funding. However, Illinois FIRST is set to expire in 2004 and remaining revenue sources are unable to match the growth in inflation. At the same time, Illinois, like so many States across the Nation, is facing a significant budget deficit.

As a result, we believe now is the time to substantially increase Federal highway and transit funding resources to adequately address transportation needs in Illinois and throughout the Nation. Regardless of how revenues are increased, there is no question that revenues must be increased. We urge the committee to carefully consider all options for increasing Federal funding for transportation infrastructure improvements.

We in Illinois are prepared to support the committee's efforts to continue the successes of TEA-21 and increase funding for the Federal-aid surface transportation

programs in the reauthorization legislation. We appreciate your commitment to Illinois' and the nation's world-class surface transportation system.

STATEMENT OF COMMISSIONER MIGUEL D'ESCOTO, COMMISSIONER, CHICAGO
DEPARTMENT OF TRANSPORTATION

Good Morning, Mister Chairman, Senator Durbin and Senator Fitzgerald. My name is Miguel d'Escoto and I am Commissioner of the Chicago Department of Transportation. Chairman Inhofe, on behalf of Mayor Daley, I would like to welcome you to Chicago and thank you for taking time to travel to our City to discuss our many important transportation needs. I would also like to thank Senators Durbin and Fitzgerald for their hard work and efforts on our behalf.

As the largest retail, commercial and residential center in the Midwest, and as a principal transportation hub for the Nation, the City of Chicago is a key economic engine for the entire country. A safe and viable transportation network is absolutely essential in maintaining and expanding the economic vitality of Chicago and assuring the timely distribution of goods and people throughout the city, region and nation.

The reauthorization of TEA-21 provides a unique opportunity for Chicago. As our nation's third largest city, we take pride in our extensive transportation network and rely heavily on the Federal Government for assistance in achieving new goals as well as maintaining our network. Therefore, with the provision of adequate funding and the passage of appropriate policies, we look forward to this reauthorization bill as an avenue to strengthen and enhance existing programs while identifying new needs.

The most important issue for the City of Chicago is sufficient Federal funding for transportation programs. Chicago's transportation system, though among the finest in the world, is in need of constant maintenance, major rehabilitations and beneficial improvements. In order to assure that our system continues to provide safe, efficient and environmentally sound transportation to our residents, businesses and visitors, we need to partner with our State and Federal departments of transportation in securing the necessary funding for our projects.

First and foremost, Chicago, and other cities and States across the Nation need significant increases in national highway and transit funding levels in order to meet our needs for rehabilitation and new capacity.

For the City of Chicago one Federal program of particular importance is the Highway Bridge Program. Under TEA-21 the Discretionary Highway Bridge program was funded at \$100 million annually nationwide with \$25 million of that set aside for seismic retrofit. One bridge project alone in Chicago, the reconstruction of Wacker Drive, is estimated to cost \$500 million: \$250 million for the East-West segment that we successfully re-opened last November on time and on budget, and another \$250 million for the North-South segment which we plan on reconstructing starting in 2004. Even without accounting for Wacker Drive, we have identified \$573 million in unmet bridge needs in the City of Chicago alone. With more movable bridges than any other city on the world, Chicago is highly dependant on its network of bridges.

Another program of particular importance is the Congestion Mitigation and Air Quality Program. This vital program funds many of our pedestrian, bicycle and transit projects as well as the State of Illinois' highly effective vehicle inspection and maintenance program. With more cities anticipated being eligible for CMAQ funding, we urge the committee to increase the funding to a level that will keep existing recipients at their current or increased levels to meet our air quality needs.

The CMAQ program is a highly effective program, but it can be made even better. We support broadening CMAQ eligibility to include bottleneck elimination and traffic flow improvements. These types of projects can have a profound impact on congestion and air quality.

We also support CMAQ funding eligibility for the rehabilitation of transit stations in America's older transit cities. We have encountered some difficulty in securing Federal approval for regionally approved CMAQ projects for transit station reconstruction. By modernizing and improving these stations, we can make transit usage more attractive to many that currently do not utilize this energy-efficient and congestion-reducing mode.

And last regarding CMAQ, we urge you to remove the 3-year limitation on funding for operations. The vehicle inspection and maintenance program has proven to be among the most effective programs for improving air quality. However, we are currently in the third year of CMAQ funding for this program and we have been unable to identify an alternate source of funding to date.

We also strongly support maintaining the firewalls. By doing so Congress will be guaranteeing that funds collected for transportation will go toward transportation improvements. The firewalls also allow government agencies to confidently plan ahead with the realization that the funding that is expected to be available for transportation purposes, will be available.

Lastly, freight rail is an often overlooked component of our nation's transportation network. However, it is a critical component of that network, and one for which Chicago is not only the national hub but also the national bottleneck. A freight rail infrastructure program is needed to address this issue and to accomplish the numerous projects the City of Chicago is currently negotiating with the Class I railroads. It will increase safety at our nation's rail-highway grade crossings and ease congestion on our railways and our roadways. A Federal program for rail infrastructure would make tremendous improvements to this currently unacceptable situation.

During the reauthorization process I ask that you keep in mind the importance of transportation to our nation's economy and the crucial role that the State of Illinois and the City of Chicago play in the national transportation network.

Thank you for your time.

STATEMENT OF DOUG WHITLEY, PRESIDENT, ILLINOIS CHAMBER OF COMMERCE

Good Morning. Thank you, Chairman Inhofe and Senator Fitzgerald (and Senator Durbin) for giving us the opportunity to address this important issue today. My name is Doug Whitley, and I am the president of the Illinois State Chamber of Commerce. However, I am speaking to you today on behalf of more than 30 statewide and regional business and labor organizations from throughout Illinois who are members of the Transportation for Illinois Coalition.

TFIC is a broadly based group of interests that supports the need for additional funding for all forms of transportation in Illinois, including transit and rail as well as highway funding. However, my emphasis this morning will be on highways, as that is the focus of your committee's responsibility.

Transportation is a vital industry in Illinois and plays a key role in determining the health of our economy. The transportation industry:

- contributes to efficient manufacturing operations by allowing for just-in-time supply deliveries
- contributes one in six jobs to the State's workforce, and
- contributes 5.3 percent of the State's gross product

In these tough economic times, transportation funding increases can go a long way toward boosting the State's economy. And I think it's important to underscore that public works is a significant part of what government does.

Public works projects have tremendous impact on the economy. First, and foremost, they put people to work, and they do it quickly.

Second, public works result in a well-maintained infrastructure that allows the efficient movement of goods and produce throughout the Nation. Maintaining this infrastructure requires constant vigilance.

We currently find ourselves with a heightened sense of awareness about the need for a strong transportation network for purposes of public safety.

Illinois is uniquely positioned in the center of the Nation as a critical juncture, for goods and produce traveling north and south and east and west.

While increased funding helps our economy, Illinois isn't the only beneficiary when our transportation network is well-funded. We are a microcosm of the Nation with respect to our transportation system.

Our transportation network is key to the nation's ability to move people and goods because of its geographic location and extensive road, rail, airport and waterway network. Let me offer some examples.

- The State hosts the nation's third largest interstate highway network with five of the transcontinental interstates moving traffic through Illinois
- Two of the nation's top rail freight gateways and six of the nation's seven major railroads converge in Illinois, with the Chicago region serving as the nation's rail hub.
- Illinois is one of the nation's major multi-modal centers with significant trucks-on-flat-car facilities and other truck-railroad crossing points, a fact which Congressmen Lipinski understands and appreciates.

In light of the importance transportation funding holds for Illinois as a State, and as a key transportation hub for the Nation, the Transportation for Illinois Coalition has united behind a statement asking that you and your colleagues increase funding to transportation generally AND increase Illinois' share of the national total. These

increases we are requesting are justified in light of Illinois' dominant and critical position in the nation's transportation infrastructure.

A year ago, recognizing that the State's, and the nation's, economy benefits greatly from increased spending on our transportation infrastructure, I joined with organized labor and with like-minded business and civic organizations to form the TFIC. We are united behind the need for more transportation funding in Illinois and will not miss the opportunity this reauthorization presents. The coalition has members from throughout the State and from diverse points of view and backgrounds. But we all understand the importance of what you are considering and how it will impact our State.

In addition to our broad-based support for additional funding, the TFIC supports the following general principles.

TFIC supports increasing Illinois' share of transportation funding significantly above the 3.38 percent guarantee in TEA-21.

TFIC supports the "firewalls" contained in TEA-21 to ensure that funds that are generated by highway users and other transportation-related revenues are spent only on transportation needs

TFIC supports maintaining the current highway/transit funding ratio of 80-20.

And TFIC supports crediting the Highway Trust Fund with the "earned interest" on its unexpended balances.

I appreciate this opportunity to address your committee and would be happy to try to answer any questions you may have.

STATEMENT OF JIM PENNEKAMP, EXECUTIVE DIRECTOR, LEADERSHIP COUNCIL
SOUTHWESTERN ILLINOIS

Introduction

The Leadership Council Southwestern Illinois respectfully submits this written testimony to Senator James Inhofe for the April 7, 2003 U.S. Senate Field Hearing entitled "Illinois Transportation: The Crossroads of our Nation." The Leadership Council Southwestern Illinois is a regional not-for-profit economic development corporation serving the southwestern Illinois counties of Madison and St. Clair. The Council's members include leaders from government, business, labor and education. The organization is best described as a public/private sector partnership organized to encourage business investment and expansion within Madison and St. Clair counties. The relationship between transportation improvements and private sector investment was described by Illinois' favorite son, Abraham Lincoln, when he said "Commerce follows transportation." Transportation is the foundation issue supporting the economic vitality and security of the United States. The ability to maintain and improve surface transportation, specifically roads and bridges, is essential if we are to remain economically vital and globally competitive. Today there are huge challenges in maintaining and improving our transportation system. TEA-21 reauthorization is an opportunity to aggressively address these challenges.

Transportation for Illinois Coalition

The Transportation for Illinois Coalition brings business and labor together to speak with one voice regarding Illinois transportation funding needs. The Leadership Council Southwestern Illinois is a member of the coalition and serves on the steering committee. The Coalition focuses on principles and program concepts that will enable transportation leaders to move forward with a common purpose to obtain maximum Federal funding to meet Illinois infrastructure needs.

Reauthorization Legislation

TEA-21 reauthorization legislation should set total highway authorizations based on total projected highway trust fund-highway account revenue. It should utilize the existing "firewall" to ensure that all funds authorized for each year can be spent. In addition, it should retain the Revenue Aligned Budget Authority mechanism with refinements to curtail large swings in the annual adjustment. The reauthorization should address the growing need for reconstructing the interstate system. This growing national problem requires focused attention and additional Federal funding should be incorporated into the reauthorization legislation. Finally, there are important individual projects which, by nature of their size, scope and impact, take on national significance. These "mega" projects should be "over and above" regular funding for general highway improvement purposes. Reauthorization legislation should exclude such special funds from overall highway funding adjustments such as the TEA-21 minimum guarantee.

New Mississippi River Bridge: Connecting Missouri and Illinois at Downtown St. Louis

The most significant surface transportation challenge in southwestern Illinois is the Mississippi River bridge system. The solution to this challenge is the construction of a new Mississippi River bridge with the relocation of Interstate 70, the construction of an Interstate 64 connector and related improvements in St. Louis, Missouri (Attachment I). Given the size, scope and national significance of this project, it qualifies as a “mega” project and deserves special funding.

Thirty-five years ago, four bridges with a total of 22 vehicle lanes crossed the Mississippi River in the core of the metropolitan area. In 2003, only two bridges remain open with a total of 12 vehicle lanes. The loss of vehicle lanes across the Mississippi River is now threatening the free flow of national commerce and emerging as a national security threat. The bi-state Missouri-Illinois St. Louis metropolitan area is a crossroads for national commerce. It is the second largest freight hub in the Midwestern United States (Attachment II). Four interstate highways, I-70, I-55, I-40 and I-44 converge in the core metropolitan area facilitating the flow of commerce throughout the Nation. However, three of those interstates are routed over one Mississippi River bridge. In fact, the bi-state St. Louis region is the only major metropolitan area in the country that routes three interstate highways over one bridge. The vulnerability of the interstate system through St. Louis was brought to light in a recent Post-Dispatch article (Attachment III) citing Mississippi River bridges as potential terrorist targets. The March 27, 2003 article stated that, “Homeland Security officials have long recognized the Poplar Street Bridge as a potential target. It carries three interstates—55, 64 and 70—and accommodates about 35 percent of the car and truck traffic across the Mississippi River in the St. Louis region.”

The only core area interstate crossing of the Mississippi River, the eight-lane Poplar Street Bridge, is severely overburdened. Its capacity is inadequate to meet the needs of the through and local motorists, including truckers, traveling on and between I-55, I-44, I-64 and I-70. Its 30-year-old design is now substandard. Illinois Department of Transportation traffic projections show conditions in the Poplar Street Bridge corridor will continue to worsen, indicating traffic failure on all key interstate highway segments by the year 2020.

The new Mississippi River bridge project will yield some 6,000-person years of construction jobs and will create another 15,000-person years of indirect and induced employment. Its income effect on the local economy will be in the range of \$1.2 billion. The project will reduce driver travel time and distance, yielding \$52 million in annual user cost savings. In addition, approximately \$4.6 million per year will also be realized as a result of reduced traffic accidents.

Project Support

The project enjoys strong support in both the Illinois and Missouri portions of the St. Louis metropolitan area. Both the Illinois Department of Transportation and the Missouri Department of Transportation have identified the project as a high priority for Federal funding. The total cost for the project, including the new Mississippi River bridge, the relocation of I-70, the I-64 connector and related improvements in St. Louis, Missouri is projected to be \$1.6 billion. Of that total, \$300 million has already been committed with key elements of the project moving forward. The Leadership Council Southwestern Illinois has been a strong advocate for the project since 1992 when initial studies began. In 1996 those studies concluded that a new bridge north of downtown St. Louis and associated roadway improvements were needed. Location and environmental studies were completed in 2000 with a positive record of decision issued in 2001. The goal now is to secure discretionary Federal funding, to complete this needed project, over and above regularly apportioned Federal dollars to the States of Missouri and Illinois.

On behalf of the Leadership Council Southwestern Illinois, I would like to thank Senator Inhofe and members of the Senate field hearing on surface transportation for the opportunity to share our views and comments on transportation improvements important to southwestern Illinois. The Leadership Council looks forward to working with members of this committee and the U.S. Congress in crafting surface transportation legislation that meets the needs of Illinois, the St. Louis bi-state metropolitan area and the Nation.

[March 27, 2003]

THREAT PROMPTS POLICE TO WATCH 2 BRIDGES

(By Bill Bryan of the Post-Dispatch)

St. Louis police have assigned officers to watch two Mississippi River bridges 24 hours a day after a captured al-Qaida leader told interrogators about what Chief Joe Mokwa described Wednesday as a "generic threat."

"We have uniformed officers looking for anything unusual," Mokwa said. He declined to say which of the seven bridges are getting the attention or how the two were chosen.

Homeland security officials have long recognized the Poplar Street Bridge as a potential target. It carries three interstates—55, 64 and 70—and accommodates about 35 percent of the car and truck traffic across the Mississippi in the St. Louis region.

St. Louis also has two rail-only bridges, the Merchants and MacArthur, which get little public notice but play a vital role in national commerce.

Mokwa said the FBI alerted him about 2 weeks ago. The information came from Khalid Shaikh Mohammed, a high-ranking al-Qaida member who was captured March 1 in Pakistan.

Mohammed reportedly told officials that al-Qaida was interested in hitting symbolic landmarks and named the White House, the Israeli embassy in Washington, the Sears Tower in Chicago and bridges in Manhattan, St. Louis and San Francisco.

Thomas E. Bush III, special agent in charge of the FBI's office in St. Louis, confirmed the report Wednesday and emphasized, "There are no specific threats to any bridge in the St. Louis area."

He added, "There has been a lot of nonspecific information that has come out but never substantiated. In this case there's no timetable given, nothing specific."

"You have to be careful in situations like this not to overreact. You don't want to create panic. There have been a number of these kinds of reports, and you have to take them in context."

But even vague threats are handled seriously, Bush said. "You're damned if you do, and damned if you don't. It's better to err on the side of caution."

The FBI "took necessary steps" that included notifying local police, he said.

Mokwa said that after the report, police photographed and studied the bridges. He would not discuss how officers are monitoring them.

Illinois State Police Capt. Richard A. Woods, commander of District 11 in Collinsville, said he was aware of the terrorist alert, but he declined to say how his agency might be involved.

In June, security at the Edward Jones Dome downtown was tightened after reports that people with ties to unspecified terrorist groups had used an Internet site to gather information about it and the RCA Dome in Indianapolis.

Bill Eubanks, then special agent in charge of the FBI here, called that information "very vague." Nothing came of it.

Besides the Poplar Street, Merchants and MacArthur, there are four other Mississippi River bridges in the city. Two, the New Chain of Rocks (I-270) and King bridges, carry cars and trucks. The Eads is used only by MetroLink trains, although it has a road deck under reconstruction. The McKinley is closed for repairs.

There are two more bridges in the region not in the city: the Clark Bridge, linking St. Charles County to Alton, and the Jefferson Barracks Bridge, linking south St. Louis County to Monroe County.

STATEMENT OF RYAN PETTY, PRESIDENT, ROCKFORD AREA CHAMBER OF COMMERCE

Mr. Chairman, Thank you for the opportunity to present before you today. My name is Ryan Petty, I am president of the Rockford IL Area Chamber of Commerce and the Rockford Area Council of 100, an Economic Development agency in the Rockford, Illinois area. I would like to thank all of the elected officials, and volunteers, for helping me prepare this testimony today.

I am here today to represent Northern, and Northwest Illinois in a collaborative effort to enhance the highway infrastructure in Boone, Ogle, Winnebago, Stephenson, Jo Daviess, and Carroll counties, bordered by the western Chicago suburbs and the Mississippi river.

The State of Illinois is located at the crossroads of America and is at the very heart of the nation's transportation network.

Despite our geographic importance to the national transportation system, our State is suffering from a failing and incomplete interstate, and State highway sys-

tem. The needs of our system are representative of the need for our State to have the financial resources it needs to upgrade that system.

Our Northern Illinois region is strategically located at a crossroads of the State of Illinois transportation system.

We are part of three important highway corridors, the Interstate 90 corridor connecting Chicago with the Northwestern United States, the Interstate 39 corridor, a world class logistics center serving Chicago, Minneapolis, Indianapolis, Madison, and Milwaukee, and U.S. Highway 20, full of unrealized potential to connect Northwest Illinois and South Western Wisconsin to Iowa and the Interstate 35 NAFTA Corridor.

Our top regional transportation priority, United States 20 from Freeport to Galena Illinois is the final piece of a stretch of highway running from Chicago through Iowa connecting with I-35, a major north south artery in our country. It forms the final piece of the puzzle to allow for people and products to move efficiently and safely east and west through our region.

Some important Facts about U.S. 20:

- Our region has pursued a 4-lane U.S. 20 for the past 50 years.
- IDOT numbers show there are more than 2 million people using the present decrepit highway annually.
- More than 200 accidents occur every year on this stretch of roadway.
- Tragically, there have been dozens of fatalities over the past decades on the current U.S. 20. One of those fatalities being the late Dr. Ruth Smith, President of Highland Community College.
- Galena, in northwest Illinois is one of the biggest tourist draws in Illinois after the City of Chicago and relies almost exclusively on U.S. 20
- In 1991 the U.S. Congress approved funding for an Environmental Impact Statement (EIS) which is now completed.
- In 2002, local agencies, with the help of a professional consultant identified 14 regional initiatives to contribute to the economic future of the region. U.S. Highway 20 is one of the 14. Officials from 5 counties, 4 in Illinois and 1 in Wisconsin have identified this project as a priority:

A 4-lane U.S. 20 will be a badly needed economic development engine to drive growth in our State and region.

The unemployment rates in our region as of January 2003 averaged 8.6 percent. Unemployment in the City of Freeport was over 10 percent, well above the State and Federal average. Since 1998, our region has lost more than 8,000 well paying manufacturing jobs—almost 20 percent of our entire manufacturing base.

Both Congressman Manzullo and Congressman Lipinski have expressed support for the U.S. 20 project. This is good news on the House side, We need your support in the Senate.

Along with U.S. 20, congressman Manzullo has requested funding for three high priority projects which we support within Winnebago County.

The North Main Street project (Illinois 2) will widen a 6 mile stretch of this congested major thoroughfare to 4 lanes. It will ease traffic congestion, and perhaps more importantly, improve safety at a high accident intersection. This project has been on the books at the Department of Transportation for more than 30 years. Engineering work is complete and construction on this project could begin as early as 2004.

The West State Street (Business U.S. 20) corridor reconstruction project will reconstruct and widen 4 mile stretch of State highway that is the western entry to the center of the Rockford Urban area. West State Street is one of four 30-year old entryways to the City of Rockford, this one serving our underdeveloped west side.

Recently, Winnebago County has completed a beltway project around the city, this beltway, coupled with the award of a HOPE VI grant shows that the City of Rockford And Winnebago County are committed to revitalizing this section of our community.

Congressman Manzullo has also requested engineering funds to remove a toll both on Interstate 90. The convergence of Interstate 90 and Interstate 39 creates significant congestion due to a poorly located 15 cent toll plaza. The bottle neck has been the source of numerous truck rollovers and has caused tremendous delays costing companies millions of dollars in lost time. To create further congestion, Union Pacific will open its new Global III Inter-modal Facility in Rochelle, IL this year, adding over 1,000 additional truck trips per day onto the interstate system.

Our State must have the funding it needs to solve these problems and we must make use of every Federal resource to improve this infrastructure. Our congressman Manzullo has asked for each of these projects as earmarks in the upcoming legislation. The award of any earmarks must not jeopardize existing programs and State

funding. That will not solve the problem. If our State and our region is to continue to contribute to the national economy, increase our share, and funding for projects of regional and national implication must be over and above the regular guarantee for general highway improvements.

Mr. Chairman, I appreciate the opportunity to present before you today. The projects in Northern and Northwest Illinois are prime examples of how an investment in infrastructure can preserve jobs, even entire regions.

Thank You.

STATEMENT OF DENISE BULAT, DIRECTOR, BI-STATE REGIONAL COMMISSION

I-74 MISSISSIPPI RIVER CROSSING CORRIDOR PROJECT

Thank you for the opportunity to speak before this committee. Mississippi River crossings continue to be the highest transportation priority in the Quad Cities with over 150,000 vehicles crossing the Mississippi River on an average day and half of these crossings on the I-74 Bridge alone. In your packet, Exhibit I is a map indicating the I-74 Bridge location.

There is an urgent need to address congestion in the I-74 Bridge corridor. This bridge is carrying almost 74,000 vehicles per day and is significantly over capacity. The bridge itself is functionally obsolete and was not constructed to acceptable standards for Interstate driving conditions. The Iowa bound span was built in 1935 and the Illinois bound span was built in 1959 utilizing the 1939 design. Both spans were built for local non-interstate traffic and never met interstate standards. Consequently, the bridge has no shoulders and the ramps nearest the bridge have inadequate weaving lanes. Approximately 125 crashes have occurred on and near the I-74 Bridge in a 1 year period. In fact, the I-74 corridor accident rate is three times the national average in some locations. Improvements to address these capacity and safety concerns are necessary. Exhibit II, in your packet, illustrates the myriad of deficiencies and safety concerns in the I-74 Bridge corridor.

The I-74 Bridge is extremely important to the commerce of the area. Interstate 74 is the major north/south corridor in the Quad City area and provides for the movement of people and goods to employment centers, entertainment venues and commercial and industrial sites. The economy of the Quad Cities depends on adequate crossing capacity as we seek to serve the metropolitan population of 350,000. Over 50 percent of employed Quad Citizens work in a community outside of their residence. Over 20 percent of those employed work outside of their State of residence.

The I-74 Bridge provides access to one of the few military arsenals in the United States, Rock Island Arsenal. It provides connectivity between regional commercial centers and is also important to the economy of the States of Illinois and Iowa as it provides for interstate commerce and connections to major U.S. markets. The Quad Cities has a 37 million person market area within a 300-mile radius that includes 13 percent of the nation's population. Exhibit III includes captioned photographs visually showing the impacts of problems along the I-74 Bridge corridor.

The I-74 Corridor is part of the National Highway System and runs from 53d Street in Davenport, Iowa to 23d Avenue in Moline, Illinois, over five miles. The I-74 Corridor Study is the result of a Major Investment Study, conducted between 1996 and 1998, that examined crossing alternatives in the Quad Cities. The I-74 Corridor Study has analyzed solutions designed to improve traffic flow and address safety issues along the I-74 corridor. The draft Environmental Impact Statement (EIS) will be completed in the Summer of 2003. The balance of the work on the Final EIS and Record of Decision is expected in 2004, with completion in 2005. The project is being funded jointly by the Iowa and Illinois Departments of Transportation in close coordination with other Federal, State and local officials. The appropriation of \$14,000,000 in Federal funds over the past few years has made these efforts possible.

Although final project costs are still being developed it is estimated that they will total \$600 to \$650 million for the entire corridor. Authorization of this project in the 2003 Transportation Act is requested. In addition to the identification of this project as a high priority need in the 2003 Transportation Act, it is also requested that significant discretionary programs be established for bridges and interstate maintenance in the next transportation act to assist in funding the I-74 corridor improvements. Again, thank you again for the honor to speak to your today about this important transportation issue.

IOWA INTERSTATE RAILROAD IMPROVEMENTS, WYANET CONNECTION AND MIDWEST
PASSENGER RAIL INITIATIVE

The Iowa Interstate Railroad is in need of repair for both freight and passenger purposes. Current service on the Iowa Interstate is approximately 40 miles per hour between Wyanet, Illinois, through the Quad Cities, to Omaha. In addition, a railroad connection between the Burlington Northern Santa Fe and the Iowa Interstate Railroad is needed in Wyanet, Illinois.

The Illinois DOT commissioned a preliminary engineering study to determine the costs of the needed improvements. The Wyanet connection is estimated to cost \$3.9 million dollars and is considered a key intersection to address both passenger and freight needs. The costs of improvement to the Iowa Interstate Railroad are estimated at \$28.9 million. This improvement would increase service along the corridor from approximately 40-mile per hour service to 79-mile per hour service.

Further, the Quad Cities is not currently served by passenger rail. The Midwest Passenger Rail Initiative Study was conducted by nine Midwest State DOT's and the Federal Railroad Administration to consider the best opportunities for passenger rail service using Chicago as a hub. The consultant study proposed a system that would generate high levels of ridership and would recover the majority of its operating costs (refer to the map in the Addendum).

Communities in the Quad City area have formed a coalition with neighboring jurisdictions in Iowa and Illinois to promote the development of passenger rail service along the Interstate 80 corridor. Implementation of service would help alleviate congestion on Interstate 80 and the resulting railroad improvements could also serve freight transportation. According to the American Association of State Highway and Transportation Officials (AASHTO), 16 percent of the nation's freight is carried by railroads. Unless \$53 billion or \$2.65 billion annually is provided to augment private railroad investment, this percentage will not be maintained within the next 20 years. The result would be the transfer of 450 million tons of freight to the highway system costing \$238 billion in highway improvements over the 20-year period.

Leaders recognize the issues related to the provision of passenger rail service in the country and encourage timely resolve to these issues so that both existing and future passenger rail service needs can be addressed. Consideration should be given to the following: establish a dedicated, multi-year Federal capital-funding program for intercity passenger rail similar to the Federal highway and aviation programs; establish a Federal policy to preserve and improve a national passenger rail system addressing new efficiencies, innovation and responsiveness; and fund implementation of this national passenger rail system.

STATEMENT OF HON. THOMAS MARCUCCI, MAYOR, CITY OF ELMHURST, ILLINOIS

Honorable Chairman Inhofe, Senator Fitzgerald, Members of the committee, I am Tom Marcucci, Mayor of the City of Elmhurst, Illinois. I am honored to be with you today to talk about transportation in northeastern Illinois.

Soon after I was elected in 1993, I realized that being Mayor involved much more than the 10 square miles that make up my suburban town in DuPage County. I realized that mayors, unlike any other local elected official, have the opportunity and responsibility to address regional issues. Virtually every regional body we have created to deal with area-wide issues, from transportation to environment to planning, includes mayors on boards, committees and advisory panels. In fact, mayors are often the only elected officials on these decisionmaking bodies.

I am here today representing one of those regional organizations—CATS. CATS is not, as you may be thinking, the Broadway show. CATS is the Chicago Area Transportation Study—the metropolitan transportation planning organization for northeastern Illinois. CATS is responsible for long-range planning for surface transportation—streets and highways; public transportation—bus and rail; and rail freight transportation. CATS was formed in 1955 and now includes the six urbanized counties of Cook, DuPage, Will, Lake, McHenry and Kane, and a portion of Kendall County. CATS is the only agency in this area that provides:

- Involvement of all transportation agencies and providers;
- Integration of individual plans for all of these services;
- Prioritization of specific projects for both funding and scheduling;
- Funding for sub-regional transportation planning and for local transportation and congestion mitigation projects;
- Cataloging of future plans and projects; and
- Coordination and collaboration with the Northeastern Illinois Planning Commission, our area-wide comprehensive land planning organization.

CATS is now in the process of preparing the 2030 Regional Transportation Plan, or RTP. The RTP will focus on the transportation strategies, improvements to existing systems, and new major capital projects that are recommended to meet the transportation needs of the region for the next 25 years.

If you want to know what transportation projects and improvements are needed in northeastern Illinois over the next twenty-five years—you need look no further than the RTP. If you want to know the priorities of the agencies, the local governments and the public—you need look no further than the RTP. If you want to make sure the economic and environmental impacts of proposed projects have been evaluated—you need look no further than the RTP.

We have heard comments that when the Transportation Equity Act for the 21st Century was passed 6 years ago, Illinois received less than its fair share of funding because of “infighting” between agencies, or because “we didn’t have our act together”, or because there was no coordination of the “wish lists”. I can’t promise you that you won’t get a long list of projects from everyone in the metro area, but I would ask you not to confuse “wish list” with “needs list”. There is an extraordinary backlog of transportation projects that are needed in our area. There are more projects needed in this area than this or any future Congress could ever fund. So how do you sort out the vitally important projects from the really important projects? Just look to the RTP.

We do have our act together. We do have our priorities set. We will have our needs list fiscally constrained.

As I said earlier, CATS is in the process of preparing the 2030 RTP. Since June, 2001, the transportation agencies, the local governments, the State of Illinois, and the working boards and committees of CATS have been creating our draft RTP document. That document includes projects representing all modes of transit from every part of the region, including the innovative Bus Rapid Transit proposal from my own DuPage County. But the draft is not yet fiscally constrained—there are more projects listed than we expect to have money to build. Now, our draft, with all the options, all the projects, all the opportunities for future transportation improvements, will be presented to the public—the residents of the region. They will help select the final list of projects that we will use for funding decisions for the next 25 years. Not the bureaucrats. Not the Mayor of Elmhurst. The choices will be shaped by the people who drive on the highways and ride the buses and trains.

In fact, if you happen to be in town on Thursday, you will see the RTP on television. A 30-minute program explaining the RTP and soliciting responses and participation will be aired on cable and broadcast TV several times over the next week. This is only part of the outreach effort by CATS to make sure that voices and opinions are not only heard, but are actually sought out and solicited.

Let me close my testimony with a few comments about the reauthorization of TEA-21. First, there are some technical changes we are proposing to improve the procedures and policies of the Act. Those are included in the supplemental material presented in advance of this meeting. I encourage you to review those and include them in the reauthorization, because they will make the process of implementing our plans much easier.

Lastly, I would ask that you please act on the reauthorization quickly. We need the reauthorization this year. We need funding increased and we need to move forward on new projects that will benefit the entire Chicagoland area. A continuing resolution won’t do that. We need the certainty of a reauthorization which guarantees funding in order to prioritize and schedule our projects efficiently.

Thank you for this opportunity to share my perspective on regional transportation issues with the committee. I would be happy to answer any questions.

STATEMENT OF ROBERT J. SCHILLERSTROM, COUNTY BOARD CHAIRMAN, DUPAGE COUNTY, IL

As you know, I am scheduled to present oral testimony at the committee’s field hearing on April 7, 2003 at the Dirksen Federal Building in Chicago. I appreciate the opportunity to appear before the committee and would like to provide you in advance of my testimony details about DuPage County’s top priorities but more importantly, why the TEA-21 Reauthorization Legislation is so critical to the State of Illinois.

The Director of the Illinois Department of Transportation (IDOT), Tim Martin, will detail for committee members, as part of his testimony, the State’s priorities as they relate to the TEA-21 Reauthorization Bill. At the top of that list is increasing Illinois’ overall share of Federal highway dollars through a formula adjustment. Six years ago, Illinois received 94 cents for each dollar it provided to the national

transportation program. Additional items the State would like to incorporate into the reauthorization bill include:

- Full Utilization of Highway Trust Fund (HTF) revenue for highway and transit programs;
- The Exclusion of High Priority Project and Discretionary Funds from the Minimum Guarantee;
- Addressing the reconstruction needs of our Interstate System;
- Increasing funding levels for discretionary Interstate Maintenance and Bridge programs;
- A Continuation of the current policy to distribute all transit formula funds on needs-based distribution formulas;
- Streamlining the transportation planning, programming and project development processes; and
- Removal of the existing 3-year limit on the use of CMAQ funds to support operation costs of the Inspection and Maintenance vehicle emissions testing facilities, which have proven to be an effective tool toward reducing air pollution.

DuPage County, with over 900,000 residents, a size greater than the population of seven States, is seeking Federal assistance for roadway and public transit projects to address many regional problems. One of the top priorities of our region is the 4.2 mile extension of the Elgin-O'Hare Expressway and the construction of a 6.6 mile (toll highway) Bypass Road in order to provide Western Access to O'Hare International Airport. This project would greatly improve the transportation network of eastern DuPage County, offer increased employment opportunities for over 40,000 people, provide tremendous economic benefits for the local economy (estimated at over \$5 billion annually), and allow convenient access to O'Hare Airport for the traveling public. The State of Illinois needs an estimated \$1.5 billion in Federal funding to make this project a reality and to provide a much needed western entrance to the world's busiest airport.

Attached for your review is a document that summarizes DuPage County's transportation priorities by congressional district. The list details not only highway projects but also the DuPage Area Transit Plan. This plan proposes capital improvements to our public transit system that will reduce highway congestion, and link labor markets with employment opportunities.

As chairman of the second largest county in the State, I would like to thank the committee for traveling to Illinois to receive our input and to consider our future transportation needs as part of the reauthorization bill. The TEA-21 reauthorization bill allows our region an unprecedented opportunity for regional cooperation and growth.

Again, thank you for your consideration and for the invitation to appear before the committee.

STATEMENT OF PIYUSHIMITA THAKURIA, ASSOCIATE DIRECTOR OF RESEARCH
PROGRAMS, URBAN TRANSPORTATION CENTER, UNIVERSITY OF ILLINOIS CHICAGO

The Urban Transportation Center at University of Illinois Chicago is an interdisciplinary research unit focused on urban transportation issues. The center works with national, State and local agencies on transportation analysis, modeling, and policy issues related to all surface transportation modes. As UIC is located in the hub of major local, regional, national, and international transportation systems, it is only natural that the University has a major commitment to conduct research dedicated to improving these transportation systems. We also educate the next generation of transportation professionals and provide continuing education and outreach to a broad array of stakeholders ranging from elected officials, agencies, community and advocacy groups, and citizens.

With impending reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) and a new State government in Springfield, there seems to be considerable uncertainty regarding future investment in transportation and transportation research. At the same time, there is no shortage of interesting and relevant transportation problems: congestion, air quality, equity, environment, energy, security, safety, finance, institutional constraints, and aging infrastructure, to name a few. We would like to highlight four key areas of transportation that are of particular relevance to Chicago, the region, the State, and the Nation.

Congestion mitigation, management and air quality

Each peak hour traveler spends over 1 week per year delayed in traffic in Chicago. Fuel costs, and degradation of air quality are the tangible impacts of congestion. Loss of quality of life is a less tangible impact. Management of congestion in

this region is dependent on an elaborate public transportation network that must be supported and enhanced to complement the highway and street network. Opportunities for the improved management of congestion, and more efficient operation of the transit network are available through the innovative use of information and technology. Modeling, policy analysis and application of the technology are critical in the following areas:

- Understanding the relationship among transportation investments, land use and sprawl
- Enhancing both the operation and planning of our transportation systems through the application of intelligent transportation systems (ITS)

Freight movement

The historical significance of Illinois as a transportation hub actually exacerbates the freight transportation problems of the region. In Illinois, Class I railroads, interstate highways, waterways and major airport hubs interact with each other in close proximity to major metropolitan areas. Freight trains block level crossings and delay motorists, passenger trains are delayed due to freight train derailments, shippers complain of the delays to freight passing through Chicago, drivers complain that trucks are too long, too heavy and just too dangerous. Congestion in railroad yards, congestion on the highways and congestion at our airports impact each of us. Everything we consume, dispose of or manufacture must move as freight. Chicago is the third busiest port in the world in terms of movement of containers. These containers must often move by both rail and road throughout the region. Rubber-tired trailers are used to expedite the movement of more time sensitive freight from one railroad to another, or from the railroad yard to a customer.

The efficient movement of freight to, from and through Illinois is vital to the economic health of the region, State and nation. As freight movement is a complex public-private partnership, no agency or organization has as its mission to plan for the future. The allocation of transportation planning funds for freight movement is essential as freight movements are projected to increase significantly over the next decade.

Significant planning issues that must be addressed are:

- Identification of bottlenecks including points of conflict between auto and rail, and congestion issues facing passenger and freight transportation sharing common infrastructure
- Development of projects that will enhance competitiveness, improve efficiency and promote environmental stewardship.
- Exploration of innovative technologies.
- Development of innovative financing options.

Jobs and housing imbalance, and job access

Access and mobility issues of socially disadvantaged groups are often-neglected areas of transportation. Data and methodological developments can be used to define the impacts of governmental programs on the behavior of low-income households and also in the ways in which the planning process can be improved to reflect the needs of these groups. Understanding trends and needs related to worker accessibility in the low-income labor market sector provides a foundation for evaluating new transit markets.

Important activities include:

- Evaluating the impact of transit services on low-income groups and the extent to which transit makes a difference in employment opportunities
- Monitoring national and local trends on low-income worker accessibility
- Exploring innovative partnership initiatives that offer a cross-sectoral, holistic approach to accessibility
- Providing assistance to Federal, State and local agencies on job access issues
- Exploring decisionmaking techniques and public participation methods to facilitate cross-sectoral planning.
- Renewal of aging infrastructure, and the efficient provision of transportation infrastructure

Every year our roads degrade, our transit lines and structures age, our bridges deteriorate, more operating hours are added to our buses, our inland waterways silt and scour, and locks and dams are ravaged by nature and bumped into by barges.

Asset management is a "systematic process of maintaining, upgrading, and operating physical assets cost-effectively." Asset management is a strategy for addressing the renewal of our existing aging infrastructure and the efficient provision of transportation infrastructure. It is a strategy for recognizing the inherent value of past investments, while enhancing system condition and performance. Asset man-

agement is not a strategy for any one type of asset or any single mode. It is applicable to all modes and all assets.

With constrained resources, personnel constraints, increased accountability and the ever advancing aging process, viewing physical infrastructure assets in a holistic manner ensures proper tradeoffs, recognition of the life-cycle costs of investments, and evaluation of the impact of investments on system performance.

While each transit agency, local government unit, and State agency will implement asset management differently, there are fundamental principles to which all units of government must adhere. Opportunities to share data, information, technology, models, tools and concepts are fundamental to the preservation of our existing infrastructure. Providing resources to support this effort is a smart investment.

STATEMENT OF PRESIDENT-ELECT DAVID LORIG, ILLINOIS ROAD AND TRANSPORTATION BUILDERS ASSOCIATION

Good morning. My name is David Lorig and I am president of Lorig Construction, a highway contractor located in Des Plaines, Illinois just outside of Chicago. I am also the president-elect of the Illinois Road and Transportation Builders Association, the largest association of transportation design and construction professionals in Illinois.

IRTBA or Roadbuilders as we are commonly called, is proud of its leadership role in advancing the need for continued and expanded investment in our public transportation infrastructure. We are constantly aware that the public, through their contributions at the gas pump, have and continue to trust that their public moneys will be spent wisely. In a recessionary climate like the one that we are experiencing now, the need for thoughtful public policy decisions concerning our transportation system has perhaps never been greater.

The Illinois Road and Transportation Builders Association also recognizes that public transportation investment is not limited to roads and bridges but includes air, transit, rail and waterways. These are the very systems that translate into economic activity that is so vital to our nation in the past, present and future. However, today I will limit my comments to highways and bridges since that is the focus of this committee.

From the onset of the national role in funding highways and bridges there has been one overriding theme—all elements of this country need to be tied together. Roads and bridges in Illinois and throughout the Nation provide that tie. Probably nowhere else in the country provides a better picture of this necessity than the Chicago area and the entire State of Illinois. Throughout the 20th century, the national role in funding these needed arterials has grown, so it is now recognized that the national government possesses the best ability to garner the necessary revenue to fund these improvements. Our entire transportation system, especially roads and bridges, and its effect on the economy, simply cannot survive without the highest commitment from the Federal Government.

From the vision of former President Dwight Eisenhower through the countless businesses and individuals that have worked on our interstate system, we have attempted to build and maintain the world's greatest transportation system. I believe it is our duty and vision to maintain and improve this system. However, in this regard, we can, and need, to do better.

Currently, the system is aging and deteriorating. Despite the best design and maintenance practices imaginable, the pavement is crumbling and the bridges have become perilously deficient. The U.S. Department of Transportation estimates that it will take an annual expenditure of nearly \$ 60 billion per year just to maintain the system. But maintenance alone will not cure the ever increasing chokehold that congestion brings to the system every work day.

Millions of hours are wasted daily in stress-creating traffic jams in literally every urban area. Once again, probably nowhere else in the Nation provides a better (or worse) picture of this situation than the Chicago area and the entire State of Illinois. The environmental damage done by exhaust fumes only exacerbates the problem. Yet, our national commitment to date is only about half of what USDOT says is needed. We can, and need, to do better.

Additionally, roadbuilding means jobs—literally thousands of them. Illinois enjoys the dubious distinction of currently having one of the highest unemployment rates in the Nation. Road and bridge building provides not only the construction jobs while the projects are underway but thousands of additional jobs afterwards with companies who desire to locate in a State located at the very heart of the Nation.

As the site of the world's busiest airport, the only place where six class "A" rail lines come together and where the interstate system carries more trucks in a day

than many other States experience in a week-we simply cannot exist without a viable and adequately funded national network of roads and bridges. Yet much of that air, rail and road system is congested for the better part of the day. We are coming dangerously close, and in many cases have already reached the point, of businesses not making certain investments and individuals not making certain trips merely because of congestion. We can, and need, to do better.

At the Illinois Road and Transportation Builders Association, we are pushing the research envelope in being innovative in our work. The private sector continues to develop the methods and materials to duplicate the results of older technology at a fraction of the cost and is readily available to work with the public sector in maximizing the value of its expenditures.

Yet, there are those who seem to frustrate that progress, whether intentional or not. New roads spend many years in study and litigation before they are built-if ever. As a graduate of Duke University Law School and a contractor, I believe I have a unique perspective and I am amazed at the myriad of rules and regulations with which we must comply in order to achieve even the simplest of improvement. I sometimes shudder at the number of rules that we must deal with. We can, and need, to do better.

One concept and term that is often used is "environmental streamlining". While some may think that the environment is somehow threatened by such a concept, all it really means is that we call upon the myriad of agencies that evaluate a highway project, to do it simultaneously and coordinate their efforts. No sacrifice of ethics or principles is intended nor required other than placing the commitment to improve our transportation system and requiring various agencies to work together toward that goal.

When it comes to the actual project-if they get built-there needs to be greater acknowledgement to the use of new technology and management practices. New technology and practices should be embraced so that the motoring public gets maximum value from its contribution at the gas pump. Web based management holds the promise of quicker project closeouts and greater accountability and efficiency. Continued investment in research challenges both the universities and private sector to do what they do best-innovate and bring better products to the marketplace.

Finally, we need to maintain the highest commitment to improving traffic operations both daily and in work zones. Last year, 31 people perished in Illinois work zone related accidents. We can, and need, to do better. As we kick off Work Zone Awareness Week, let us all resolve to support increased safety in work zones by slowing down!

Please allow me to summarize. Road building means jobs-held by thousands of technical and skilled individuals performing often back-breaking dangerous jobs, who pay taxes and make this economic engine called "Illinois" work. However, the system that was created nearly 50 years ago is terribly congested, deteriorating, and in dire need of technical and financial assistance designed to maximize the public expenditure of funds. In addition, we have to use technology, innovation, research and just plain common sense to make this system work better. The needs of the various States need to be equitably addressed so that each State gets what it needs to keep our country moving.

The Chicago area and the entire State of Illinois are at the crossroads of the Nation. Transportation problems in the Chicago area and the entire State of Illinois have a snowball effect throughout the rest of the Nation. Therefore, the needs of the Chicago area and the entire State of Illinois must be immediately addressed with the highest commitment, both financial and otherwise, from the Federal Government.

Thank you.

STATEMENT OF RITA CASTLE, ISSUES ANALYSIS MANAGER, CATERPILLAR INC.

Mr. Chairman, I'm Rita Castle, Issues Analysis Manager in the Public Affairs Department of Caterpillar Inc. I'm pleased to be with you this morning to discuss the importance of transportation to Caterpillar, our facilities, employees and the communities where we live.

As you know, Caterpillar . . . and our yellow machines . . . have been synonymous with highway and road construction for almost a century. In 1909, an early model of a motor grader, invented by a Caterpillar founder, was maintaining country roads in California. By the time Caterpillar Tractor Co. was formed in 1925, road building and maintenance machines were in big demand. In 1931, Caterpillar introduced to the market the first modern motor grader known as the "caterpillar auto patrol." And in 1932, we adopted a paint color that ultimately became a stand-

ard for the entire construction industry. We called it “hi-way Yellow,” in recognition of the importance of road construction to our company.

Caterpillar machines have been a dominant force in the construction and maintenance of our Federal highway system since its inception in 1956. Today, Caterpillar annual sales to the U.S. roadbuilding industry approach \$1 billion, making it a major component of our machine sales business. And as the leading manufacturer of heavy-duty diesel engines used in the commercial trucking industry, we know how important our highway system is to the delivery of goods and services to keep our nation working.

But it's not just product sales that are the measure of the importance of our highway system. In 2002, almost \$120 million in raw materials and supplies were shipped by road to Caterpillar's U.S. facilities. In that same year, we delivered over \$93 million in machines and parts to our dealers and customers in the U.S. and to ports for shipment abroad using our highway network. In Illinois, our facilities received over \$64 million in freight shipped over our road system. And outbound, we delivered over \$20 million in finished products over our Illinois road system to Illinois customers.

Our system of Interstate and Federal roads is equally important to the safety of our employees and their families who rely on our nation's road system for personal transportation and the delivery of goods and services that sustain our economy.

As a major employer in Illinois, with over 20,000 employees statewide, we know how important our highway infrastructure is to the economic well being of our communities. Just outside my window in downtown Peoria the huge Interstate 74 construction project is underway, modernizing some of the oldest interstate sections in the United States. This multi-year project, the largest road construction undertaking outside of the metropolitan Chicago area, is essential to the growth of the Central Illinois economy.

Because of our long-standing involvement in the road building industry, and due to the importance to our economy of a modern highway system, we are concerned about the current problems that face our nation's highway system.

Our roads are deteriorating faster than they can be improved . . . we all know the frustrating picture. Unfortunately, the choices that must be made to address our crumbling infrastructure are neither easy nor simple. This reminds me of an ad campaign that Caterpillar launched many years ago entitled “No Simple Solutions.” The campaign focused on some of the choices our nation had to make in providing a modern surface transportation system. Unfortunately, the campaign is as relevant today as it was almost three decades ago.

It's obvious that we need significantly increased investment to repair, restore and rebuild our infrastructure. And that investment is substantial . . . estimated to be around \$50–75 billion a year just to maintain our highway system. Yet current Federal road spending is about \$32 billion, and the Administration's Fiscal 2004 budget calls for highway spending at about \$22 billion, almost 30 percent less than what Congress approved for fiscal year 2003.

At the same time that many of our highways are crumbling, they remain an essential component in meeting our homeland security challenges and relieving the gridlock of urban congestion. A modern, well-maintained highway system is essential to providing mobility to evacuate a city or improve traffic flow and reduce air emissions.

Current and future growth demands that additional investments be made in our Federal surface transportation system. We must preserve the gains made by TEA–21 in dedicating all revenues coming into the Highway Trust Fund to highway and transit programs while maintaining the firewalls and budget guarantees that protect the highway user fees from being diverted to purposes other than capital improvements.

We must invest the growing balance in the highway trust fund, now estimated at \$18 billion and capture over \$12 billion in revenue lost to ethanol tax breaks.

But these measures alone will not generate sufficient revenue to meet the estimated funding shortfall needed to upgrade and modernize our highway system. Some hard funding choices will have to be made to restore the purchasing power of the motor fuel user tax. It seems unlikely in this reauthorization cycle that a new, radically different funding mechanism will be proposed. Despite considerable opposition, it seems that Congress cannot avoid a discussion of a motor fuel user fee increase.

And finally, we would urge Congress to complete its work on reauthorization of TEA–21 by the end of this fiscal year to avoid the serious delays and disruptions associated with reauthorization delay.

As we ask Congress to consider these revenue measures, Caterpillar remains committed to providing the technology to increase machine productivity and deliver cus-

tomers value. We are delivering machines that dramatically improve efficiency and increase productivity, while providing 24-hour support to minimize or eliminate downtime. We are linking our dealers, customers, suppliers and operations within CAT to maximize our product support. All of this translates into more efficient machines, lower owning and operating costs for our customers, and more value for our construction dollars.

A more efficient and safer transportation system is critical to our future economic growth, international competitiveness, quality of life and national security. In our view, there is no better way to stimulate this economy than through the creation of well-paying highway construction jobs.

Mr. Chairman, let me thank you again for this opportunity to share Caterpillar's views on the important highway construction issues facing Congress this year. We look forward to working with you and our Illinois Senators in the months ahead as the reauthorization debate unfolds.

STATEMENT OF MARGARET BLACKSHERE, PRESIDENT, AFL-CIO

My name is Margaret Blackshere, and I am the president of the Illinois AFL-CIO. I am also a member of the Transportation for Illinois Coalition. The AFL-CIO, Central Labor Councils, including the Chicago Federation of Labor, and many of the affiliates are part of this organized effort in Illinois designed to convince you and your colleagues in Congress that Illinois deserves more funding to support its transportation infrastructure.

First, I would like to thank Sen. Inhofe and Sen. Fitzgerald for traveling to Chicago and providing us with this opportunity to tell you firsthand why you should be championing the cause of more money to fund the transportation system of this nation and our State.

The private sector and labor must depend on government for its transportation system. Government provides the overall planning and resources to develop and maintain our transportation system. And our nation's economy is totally dependent on our inter-connected, fully functioning, multi-modal transportation system. It's obvious that a greater investment is needed in our infrastructure nationwide, where many of our aging interstates and bridges are in poor repair.

Illinois is located at the heart of our transportation system—our highway system, rail system, waterways and even air transport system. We are a gateway between the east and west coasts, and between the Great Lakes and the Gulf of Mexico. The nation's investment in Illinois is an investment well-made—and one that needs to be increased to ensure a healthy economy for the future of our State and of our Nation.

Illinois deserves a bigger share of the nation's transportation funding to more closely reflect the key role we play in hosting a critical junction in the nation's transportation infrastructure.

I can't overemphasize how much transportation funding matters. Of course it means jobs, which is one of the reasons why I'm here today. Of course it affects our quality of life—and the cost of our goods and services. For the thousands of Illinois residents whose jobs will be affected by your decisions in Washington, I ask for your help in winning increased funding to support Illinois' transportation network.

We . . . here testifying today . . . each have our own constituencies and interests to represent. Mine is organized labor, which represents 1 million

workers in Illinois. We strive to represent the interests of all working people on issues that affect their everyday lives. And transportation is certainly one of those. Yet, we are united in our appeal to you for more resources for transportation for this country—and for the pressing transportation needs in Illinois.

You, as Senators, must take a global view of the needs of this entire nation. And you will undoubtedly see that Illinois merits greater attention and resources to keep our national transportation system strong and to help rebuild the nation's economy.

STATEMENT OF RICHARD J. FELTES, FELTES SAND & GRAVEL CO., INC.

Mr. Chairman, Senator Fitzgerald and members of the committee, thank you very much for allowing me to testify on behalf of the National Stone, Sand, and Gravel Association (NSSGA) at this hearing examining the State of Illinois' transportation needs in preparation for reauthorization of the Transportation Equity Act for the 21st Century (TEA 21).

My name is Richard Feltes. I am co-owner with Timothy Feltes of the Feltes Sand & Gravel Co. in Elburn, Illinois. We represent the third generation in a family business that was started in 1920 by our Grandfather and Great Uncle. Our company

currently employs 35 full time people. Our business operation is located 40 miles west of Chicago in Kane County, Illinois. A major part of our business is supplying sand & gravel products to concrete & asphalt producers for use on major highway projects in our market area.

Currently, I serve as Second Vice Chairman of the National Stone, Sand & Gravel Association and Chairman of the Association's Government Affairs Division. NSSGA represents the nation's aggregate industries—producers of crushed stone, sand and gravel, as well as suppliers of equipment and services to aggregate producers. NSSGA is, by volume of product, the largest mining association in the world, according to the U.S. Geological Survey (USGS). Our 850 member companies turn out 90 percent of the crushed stone and 70 percent of the sand and gravel consumed annually in the United States. During 2002, a total of about 2.73 billion metric tons of crushed stone, sand and gravel valued at approximately \$14.6 billion were produced and sold in the U.S. The aggregate industry workforce is made up of about 120,000 men and women across America.

Just to provide perspective, there are 10,000 construction aggregates operations nationwide. Virtually every congressional district is home to a crushed stone, sand or gravel operation. Proximity to market is critical due to high transportation costs, so 70 percent of our nation's counties include an aggregates operation.

Construction aggregates are used primarily in asphalt and concrete. Ninety-four percent of asphalt pavement is aggregate; 80 percent of concrete is aggregate, whether used in pavement, buildings, dams, water and waste water treatment plants and the like. About 10 tons of aggregate per person are consumed annually in America. Every mile of interstate consumes 38,000 tons of aggregate; about 400 tons of aggregate are used in construction of the average home.

While I appear this morning representing the aggregates industry, I also appear as a member of the Board of Directors of the Illinois Association of Aggregate Producers (IAAP). IAAP is a member of the Transportation for Illinois Coalition (TFIC), a broad coalition of Illinois associations and labor organizations, which was organized to speak with one voice for all of Illinois regarding transportation funding needs. The TFIC focuses on principles and program concepts that will enable transportation leaders to move forward with a common purpose to obtain maximum funding to meet Illinois' infrastructure needs. (TFIC mission statement and guiding principles attached.)

Also, I should note NSSGA is a member of the Transportation Construction Coalition (TCC) and Americans for Transportation Mobility (ATM)—the two premier national coalitions dedicated to reauthorization of our country's surface transportation system.

We seek this committee's help to assure TEA-21 is reauthorized before it expires on September 30, 2003. Otherwise, many of the benefits realized under TEA-21 and its predecessor legislation, ISTEA (the Intermodal Surface Transportation Efficiency Act of 1991, which rewrote Federal transportation policy, are in danger of being lost.

The Federal-aid highway program is one of the U.S. government's most successful programs. Since 1956, and in partnership with the States, it has financed construction and upkeep of the largest and safest national network of highways and bridges in the world. No program is more critical to the economy of Illinois than Federal funding for transportation needs. From its origins as the railroad capital of the Nation and its development as the hub of major east-west interstate highways, to hosting the world's busiest airport, Illinois has served as the central conduit for the nation's commerce. Thus, the economies of Illinois and the Nation are inextricably linked. Illinois' transportation system plays a pivotal role in the nation's ability to move goods and people because of its geographic location and extensive road, rail, airport and waterway network.

Consider this:

- The U.S. transportation construction industry has built 3.9 million miles of American roads and highways and more than 5,000 airports.
- The U.S. highway and bridge infrastructure has an asset value of almost \$1.4 trillion, and publicly financed highway construction directly or indirectly is responsible for 2.2 million American jobs.
- More than 11 percent of the U.S. Gross Domestic Product is spent on transportation.
- Aggregates directly contributed nearly \$43 to the Gross Domestic Product in 2001.
- The aggregates industry contributes \$37.6 billion to the Gross Domestic Product in 2001.
- For every \$1 billion spent on highway construction, 47,500 jobs are generated each year.

- In 2001, the aggregates industry supported 284,090 jobs in all sectors of the economy with personal earnings totaling \$10.74 billion.
- Every dollar invested in the nation's highway system yields \$5.70 in economic benefits to the Nation because of reduced delays, improved safety and reduced vehicle operating costs.
- The Federal highway program provides more financial resources for environmental and community enhancements than any other public or private effort.

However, Mr. Chairman, in order to preserve the benefits to the country from a robust and efficient highway system, we can't ignore that the needs of the system continue to increase. Consider the following:

- More than 40,000 people die and 3 million are injured each year on the nation's roads. About 14,000 of those deaths are attributable to substandard road conditions, and, thus, avoidable. Vehicle crashes are the leading cause of death for Americans 6 to 28 years old.

A total of 8,533 people died on Illinois' highways from 1996 through 2001.

- The annual economic cost of motor vehicle crashes is \$230 billion per year, or \$819 for each resident, for medical costs, lost productivity, travel delay, workplace costs, insurance costs and legal costs.

Total cost of motor vehicle crashes to Illinois was \$3.8 billion or \$308 per capita.

- FHWA data shows that congestion is worsening on all major U.S. roads; 36 percent of America's urban roads are congested.
- 42 percent of Illinois' major urban roads are congested. It is well documented that highway congestion in the northeastern portion of the State is the third worst in the Nation.

- Traffic congestion now costs Americans more than \$67 billion each year—the value of 3.6 billion hours of delay and 5.7 billion gallons of excess motor fuel consumed.

- 32 percent of America's major roads are in poor and mediocre condition.
- 34 percent of Illinois' major roads are in poor and mediocre condition.
- 28 percent of America's bridges are structurally deficient or functionally obsolete.
- 19 percent of Illinois' bridges are structurally deficient or functionally obsolete.
- 84 percent of the \$358 billion worth of commodities delivered annually from sites in Illinois are transported on the State's highways.

Maintenance of the nation's highways is continual and increasingly costly. Changes in the program, combined with inflation and ever-growing highway traffic, have resulted in investment that is not sufficient to maintain the physical condition of the overall system, let alone improve it.

The problem has been that under TEA 21, funds have not gone into highway and road maintenance. States have shifted funds into large cost capacity expansion projects as well as into peripheral construction activities, such as sidewalks, rest areas, and historic preservation. The net result is that highway and road maintenance has not improved as much as policymakers have wanted. Accordingly we strongly support the President's budget proposal to spend \$1 billion a year from the Highway Trust Fund on highway maintenance and infrastructure performance that are "Ready to Go."

Reauthorization of the Federal surface transportation law must focus on providing sufficient funding to maintain the nation's highway system and reduce the congestion that is clogging our highways, thus wasting time and energy, and diminishing air quality.

NSSGA will not be involved in the formula controversy because of the diversity of its membership. One fact, however, cannot be denied. Unless Federal highway investment is increased, no State will succeed in improving its share of transportation funding.

According to the latest Federal Government data, around \$60 billion is needed annually just to maintain the current highway system and over \$100 million to improve it. In response to these quantified needs of the system, NSSGA developed its recommendations for TEA-21reauthorization. (Copy attached)

In summary, NSSGA made the following recommendations for TEA-21reauthorization.

Recommendation: The TEA-21reauthorization bill must provide Federal funding to preserve the national highway system in an amount that is sufficient and can be justified economically. We join with the TFIC in calling for increased funding levels for our national transportation system.

NSSGA supports the recently issued proposal of House Transportation and Infrastructure Committee Chairman Don Young for a \$60 billion a year highway program including an increase in the highway user fee; both prospective and retro-

active indexing of the highway user fee to the Consumer Price Index; restoring Highway Trust Fund interest; repaying the Highway Trust Fund the \$5.2 cent-per-gallon gasoline user fee differential; eliminating fuel tax evasion; and, drawing down the trust fund balance for a total of between \$111 and \$125 billion annually.

The Federal highway program is a user-funded program. U.S. motorists generate about \$31 billion a year in revenues that go into the Federal Highway Trust Fund. Illinois' motorists generate about \$1.2 billion a year in revenues that go into the Federal Highway Trust Fund. The Revenue Aligned Budget Authority (RABA) is a budgetary mechanism incorporated in TEA-21 to more closely align gasoline user fee receipts with investments. Retaining the highway user fees is absolutely essential to the Federal highway program. NSSGA will oppose any efforts to reduce or suspend the Federal highway user fee.

Also, NSSGA opposes any diversion or redirection of highway user fees or RABA funds. While NSSGA supports initiatives to prevent the dramatic swings in RABA moneys experienced over the past several years, NSSGA will oppose efforts to manipulate RABA funding from core highway programs. NSSGA will oppose attempts to divert or redirect highway user fees from programs other than highways and transit. NSSGA supports maintaining the current highway/transit funding ratio of 80/20.

In addition to the aforementioned revenue raisers proposed by Chairman Young, NSSGA supports increased use of innovative financing mechanisms, including the possibility of establishing a Highway Funding Corporation along the lines proposed by the American Association of State Highway Transportation Officials (AASHTO). Enhancing innovative financing tools already available including State Infrastructure Banks (SIBs), and the Transportation Infrastructure Finance and Innovation Act (TIFIA), should also be thoroughly examined. We need to look at tax exempt financing for public-private partnerships, too.

Recommendation: Continue and strengthen the firewalls established by TEA-21 between incoming Federal highway user fee revenue and annual Federal surface transportation investment, including the Revenue Aligned Budget Authority (RABA) provision.

TEA-21 addressed the shortfall in Federal highway program funding by establishing for fiscal years 1999–2003 budgetary firewalls to protect highway funding and a firewall to protect transit spending. Spending for programs with firewalls may not be reduced in order to increase spending for other discretionary programs. It is imperative that reauthorization maintains the funding guarantee and budget firewalls contained in TEA 21.

Recommendation: Increase State flexibility to use funding for highway construction.

Constraints on States from using funds for highway construction should be eliminated to allow construction on non-national highway system roads that will reduce traffic congestion and increase safety.

According to the FHWA, there were more than 3.95 million miles of public roads in this country in 2000. FHWA has stated that more than three-quarters of the lane-miles in the U.S. are rural. While this includes rural roads on the National Highway System, there are also hundreds of thousands of miles of rural two lane local roads that carry significant amounts of local automobile and truck traffic. Vehicle miles traveled on these rural roads constitute nearly 40 percent of the national total, meaning that much of America's commerce and individual movement occurs on these rural roads.

Statistics highlight the fact that rural roads and highways are considerably more dangerous than urban roads. A Government Accounting Office (GAO) report noted that rural roads have a fatality rate that is six times greater than that of urban interstates. In the post-interstate era, increased attention must be given to targeted road improvements that have a high likelihood of reducing crash potential.

States should have the flexibility to enhance safety on rural and local two-lane roadways. In addition, Federal investment in our rural road and highway infrastructure must be increased not only to enhance safety, but also to ensure continued rural economic development.

Recommendation: Facilitate the construction process by removing barriers to innovative contracting techniques.

Certain transportation infrastructure projects may be well suited for innovative project delivery methods that will serve to speed up project planning, design, and construction. States and local governments should be allowed flexibility in using innovative contracting and procurement methods that acknowledge one-size-fits-all procurement and contracting does not recognize the different and unique characteristics of each State's highway program.

Recommendation: NSSGA supports studying the creation of dedicated truck lanes/heavy vehicle lanes as a method of improving public health and safety, extending the life of surface infrastructure resulting in lower maintenance costs, and increasing productivity and efficiency leading to continued growth in national and regional economics.

TEA-21 reauthorization should include provisions to foster the development of self-financed "truck only/heavy vehicles lanes" to encourage and allow the use of interstate highway medians, air and tunnel right-of-ways for construction of these lanes. Truck/HVL only lanes should be eligible for Federal funds including Congestion Mitigation and Air Quality Program (CMAQ) and the National Trade Corridor and Border Infrastructure Development Program.

Recommendation: NSSGA supports developing a mechanism for recognizing/crediting air quality improvements and congestion reductions. The air is getting cleaner in major urban areas even though highway travel in the U.S. has increased substantially.

In fact, vehicle travel on U.S. highways increased 28 percent from 1991 to 2001. U.S. population grew by 11 percent between 1990 and 2001. Vehicle travel on Illinois highways increased by 21 percent in the same time period. Illinois' population grew by 9 percent between 1990 and 2001.

In spite of increased travel, an October 1999 Environmental Protection Agency (EPA) Report found that since 1970, motor vehicle emissions declined dramatically. The report found today nearly 80 percent of the hazardous air pollutants released nationwide come from non-transportation sources. By implementing new and innovative technologies, design, and construction methods, and undertaking major recycling programs, the transportation sector has played a key role in the air quality improvements realized over the past three decades. A mechanism should be developed to acknowledge/credit these pollution and congestion reductions.

Recommendation: NSSGA supports streamlining of the entire construction process, from concept through environmental review and permitting, to acceptance by State agencies.

TEA-21 mandated that the U.S. DOT and other affected Federal and State agencies develop coordinated efforts and time periods for concurrent review of items required by the National Environmental Policy Act (NEPA) for projects, as well as other environmental analysis, reviews, opinions, permits, licenses and approvals that are required.

NSSGA supports Administration streamlining initiatives and urges that TEA-21 reauthorization mandate promulgation of new regulations that carry out the statutory intent of Congress to establish firm deadlines for streamlining and expediting the environmental review process that now can take as long as 14 years. A benchmarking program should be implemented in order to track progress.

Recommendation: NSSGA supports reform of the transportation conformity requirements with the Federal Clean Air Act to eliminate the loopholes that have been used by anti-growth groups to slow or stop already approved and environmentally sound highway projects.

Due to provisions in the Clean Air Act, the Federal-Aid Highway Act, ISTEA, and TEA 21, the overall conformity process involves various States, local and Federal agencies. If an area is out of conformity, Federal highway funds are cutoff. As a result, an area's Transportation Improvement Program (TIP) cannot include transportation construction projects that will result in emissions that exceed the Motor Vehicle Emission Budget (MVEB). The reform objective should be that once a project is approved, it should not continuously be challenged on the basis of what was known or not known at the time of approval since a highway project is a multi-year construction project and date will be routinely updated.

Recommendation: NSSGA supports reconstitution of the national highway research program that works in partnership with all constituencies of the highway community.

A reconstituted national highway research program should leverage the individual industry constituent efforts and work to develop a coordinated national program focused on delivery of a long-lasting national surface transportation system that is safe and environmentally sound.

Since the major component of highways is aggregates, a specific allocation should be directed to aggregate research through the International Center for Aggregates Research at the University of Texas with an Adjunct at the Texas A&M University. A major aggregate research effort is needed in four principal areas: 1) to extend the use of locally available materials; 2) to define performance and determine key material properties; 3) to develop methods to measure these properties; and 4) to then develop methods and models to predict performance and evaluate impact of variations in design and products.

The Federal-aid highway program has become more than just a highway and roads construction program. A safe and reliable transportation system is vital to the nation's future economic growth, international competitiveness, homeland and national security—it serves as the foundation for our American quality of life. The events flowing from September 11, 2001, the lagging economy and documented under funding of highways point to the need to boost investment in our national transportation system. Although ISTEA and TEA-21 significantly increased highway investment, nothing stands still. America's highway and transportation infrastructure is badly in need of upgrading. We cannot ignore the fact that 14,000 fatalities are attributed each year to hazardous road and bridge conditions or the congestion clogging our cities, concerns that can be addressed only if we maintain and improve our national highway system.

Again, thank you, Mr. Chairman, for this opportunity to testify. I will be pleased to respond to any questions.

STATEMENT OF RON WARFIELD, ILLINOIS FARM BUREAU

Mr. Chairman, members of the committee, and Senator Fitzgerald, I am Ron Warfield, President of Illinois Farm Bureau, the State's largest general farm organization, representing nearly three out of every four Illinois farmers. It is a pleasure to participate in this important field hearing in a State that is truly the "Crossroads of our Nation."

Illinoisans take great pride in having access to a vast array of transportation systems that promote commerce. Our highways, railroads, rivers, and port facilities are essential to the efficient movement of agricultural and food products that account for billions of dollars in economic activity. However, as other nations invest in their transportation systems, we appear to be losing one of our major competitive advantages.

To remain a global leader in trade, and for enhanced domestic market competitiveness, improvements in our transportation infrastructure are needed. Specifically, we would like the reauthorization of TEA-21 to include the following:

Highway trust funds should be protected. Funds collected from highway users for highway purposes should be spent on highway projects. Highway users should not bear the brunt of funding recreational trails or public transit systems.

We are very aware of the discussions of highway tax revenues and the excise tax incentives for ethanol's impact on highway trust funds. Senators Grassley and Baucus are working with a broad group of interests to produce a compromise that retains dollars within the highway trust fund while maintaining the incentive for ethanol. We feel retention of the tax incentive is needed to foster an emerging ethanol industry that can help our country become more energy independent.

Exports. Illinois farmers export more than 40 percent of the grain they produce. But, the grain export business isn't nearly as efficient as it could or should be.

We need to reduce congestion around our nation's ports. The American Association of Port Authorities ranks Chicago and St. Louis among the nation's top 30 ports for total cargo volume. Unloading, loading and access to the ports by road and rail should be a focus of improvement projects.

Rail competition and capacity is critical to an efficient transportation infrastructure network. Short rail lines need assistance in their efforts to move grain efficiently when interfacing with major rail lines. We see local elevators that set on a rail-side unable to meet minimum rail-car drops because the class I rail lines find it difficult to service short lines.

A part of the infrastructure network that must play an equally important part of our system but is not the focus of TEA 3, is our river system. The locks on the Illinois and Upper Mississippi Rivers are nearly 70 years old. It takes far too long for barges to move through these antiquated structures, boosting transportation costs. Those delays are estimated to cost Illinois farmers six cents per bushel of corn. Of course the more it costs to transport grain, the less competitive we are against the likes of lower cost South American farmers. The governments of Brazil and Argentina understand this and have made transportation system improvements a national priority.

Despite the delays, barges are the most efficient means of transportation in the Midwest. One barge tow can transport more than 20-thousand tons of grain—about the same as the capacity of 870 semi-trucks. More barges mean fewer trucks, less congestion, less wear and tear on our highways, and cleaner air.

Farm Bureau supports 1200-foot locks on the Illinois River at Peoria and LaGrange and at five lower sites on the Mississippi. We are working with other farm organizations, the shipping industry and organized labor to build a broad grassroots

base of support needed to accomplish our goal. If we succeed, it will create thousands of construction jobs for many years and benefit farmers and our nation for decades to come.

Before I finish, I'd like to share a story that demonstrates the need for investment in our nation's transportation system. Three years ago, Illinois Farm Bureau sent a delegation to China. They reported back that the transportation infrastructure in China was so undeveloped that it was cheaper to import corn from the United States into southern China than to ship it from the northern part of China. And northern China was a major corn exporter! We believed a situation like this could never happen in the United States, until now.

Loads of South American soybeans are now being imported into South Carolina, because they are cheaper than the beans we can ship by rail or ocean-going barges from the Midwest.

That tells me our system needs a fix.

Thank you for the opportunity to provide testimony today. We look forward to working with you, the committee and Senator Fitzgerald to address these issues.

Statement of Hon. Linzey Jones, Mayor, Olympia Fields and President, South Suburban Mayors and Managers Association

As President of the Village of Olympia Fields and the South Suburban Mayors and Managers Association, and as a member of the Chicago Southland Alliance Board of Directors, I serve a 70-community area comprising southern and southwestern Cook, and eastern Will Counties of Illinois. As an Alliance member, I am an active and supportive player in the Transportation for Illinois Coalition's mission to establish an equitable, aggressive, and effective transportation agenda through the TEA-3 planning and development process.

With a population exceeding 1.5 million, the area known as the Chicago Southland in which I live and serve reflects a diversity of people, professions, and opportunities.

As in any urban area, the health and vitality of the economy is nurtured by monitoring, identifying, developing, and implementing the necessary steps to maintain stability and position its residents for sensible development and an ever improving way of life.

The history of my region is indelibly linked with the movement of goods and services, not only locally, regionally, or within the State of Illinois, but to a much greater extent, nationally and worldwide. How critical is the Southlands to the national economy?

FACT: While the State of Illinois boasts five of the nation's transcontinental interstates in its highway network, three of the five traverse the Chicago Southlands.

FACT: While the Chicago region includes six of the seven major railroads in its hub, five of those railroads pass through, unload, distribute, and receive produce in the Chicago Southlands.

Ladies and gentlemen, transportation is the infrastructure backbone of the world as we know it. Investment in the overall system—interstate, arterial, collector, and local—remains the lynch pin for traffic capacity, safety, air quality, and economic development.

For the first time in recent history, literally all regions of the State of Illinois are coming together for a common purpose. As outlined in the Transportation for Illinois Coalition's Mission Statement:

Understanding that transportation needs must be addressed comprehensively rather than in a piecemeal fashion (is) the driving force that united major transportation design and construction industry groups with labor and business throughout the State . . .

The Transportation for Illinois Coalition was organized to speak with one voice for all of Illinois regarding transportation funding needs.

May I now formally offer the voice of local government in support of this critical initiative.

The September 11th tragedy linked and galvanized in purpose and action the Nation under the age-old and truly American call to arms of "United We Stand." The same call must now rally the country's leadership and confront the transportation demands of a new century.

For only can a coalition linked by a common understanding, by a common purpose, and by a common commitment meet the challenge to deliver—via our nation's roads, streets, and highways—the common good for 21st Century America.

Thank you.

STATEMENT OF BUSINESS LEADERS FOR TRANSPORTATION

Business Leaders for Transportation was formed in 1997 to act as a collective voice for Chicago-area employers on policy and funding issues concerning this region's surface transportation network. Led by the Metropolitan Planning Council, Chicago Metropolis 2020 and the Chicagoland Chamber of Commerce, it is a growing coalition of more than 100 business organizations representing more than 12,000 regional employers.

Business Leaders understands that the economic competitiveness of the Chicago metropolitan region depends on continuing to function efficiently as the crossroads for our nation's highway and rail system. The coalition has been a strong advocate for increased investment and innovation in Northeastern Illinois' transportation network.

New challenges confront us, as discussions loom on the reauthorization of the current Federal transportation bill. This region is plagued by congestion, a lack of transportation alternatives in growing suburban areas, and aged and outdated infrastructure, all which constitute high priorities in the next Federal transportation legislation. By working closely with a strong network of government transportation professionals, business and civic groups, Business Leaders is building regional consensus on policies that should be addressed in the next transportation bill.

Unlike its 1991 predecessor, TEA-21 replaced a needs-based formula with one that distributed money to the 50 States by a predetermined percentage; Illinois' increase was only 29 percent, in comparison to a 40 percent increase nationwide. This shift amounted to a \$600 million loss to Illinois over the course of the 6-year program, while congestion continues to be third worst in the Nation and our interstates, highways and local roads are overburdened by an exponential growth in traffic. Although TEA-21 chipped away at the list of projects necessary to alleviate congestion, under this new funding formula Illinois actually fared worse than other Midwest States despite the fact that freeway congestion is 12 percent higher here than the national average and 20 percent higher than neighboring States. In addition, 40 percent of daily traffic is congested and the 2000 Census shows that in five of the six counties, commute times increased by more than 10 percent over the past decade. The mismatch between the location of jobs and housing directly fuels increased congestion as more and more employees have to travel via automobile to get to work because transit is not a viable option. Simply put, longer commutes result in more traffic for everyone, which worsens air quality and greatly diminishes our quality of life.

Through Illinois FIRST, our State infrastructure-funding program, the State has been able to repair portions of its outdated infrastructure and provide the match for Federal funds. This program, like the Federal transportation bill, will soon expire, leaving many highways and bridges still in need of repair and numerous unfunded capital needs for the region's transit system. Collectively, the region's three public transportation service providers are at least \$3 billion short of funding for needed improvements to preserve transit infrastructure; this does not include resources for system expansion.

Current funding is not fixing the problem. A business as usual approach to traffic gridlock is hurting our economic competitiveness and livability. Business Leaders calls most urgently for a return to a needs-based funding formula, so that regions like northeastern Illinois—with its rapidly growing population of transit users, aging and clogged highway network, and position as the hub of the intermodal freight industry—get the help they need to give people transportation choices and make traffic flow more smoothly.

The opportunity to address these issues is now! Business Leaders' consensus agenda is contained in a document entitled, *Getting the Chicago Region Moving: A Coordinated Agenda for the Federal Transportation Debate* (see http://www.metroplanning.org/resources/images/blt_tea_report.pdf) and makes the following specific funding recommendations:

- **Highways:** At the crossroads of the Nation, northeastern Illinois' highway system is critical to its economic prosperity, but 80 percent of that system is over 30 years old. The 2003 bill should re-evaluate the Federal funding structure, which shortchanges densely populated areas, so that it places greater value on projects of national significance;
- **Transit:** The Chicago region boasts the second largest transit network in the Nation. As Chicago's Loop requires expanded transit options to support its growth and suburbs with dramatic population growth look for better solutions to traffic congestion, funding for transit projects must be increased for both rehabilitation and expansion;

- Freight: The Chicago region is the world's third largest intermodal port, but our outdated railyards and highways are not equipped for ever-expanding volumes of freight traffic. The inadequacies of Chicago's freight network have slowed the movement of freight traffic across the region to less than 15 m.p.h. Freight infrastructure improvements must be added to the next legislation, with funding expanded and directed toward increased track and yard capacity, grade crossing separations and joint-use corridors with broad, public benefits.

- Land Use: All transportation projects should be evaluated within the framework of a regional land-use plan, to maximize the impact of limited resources and improve air and water quality.

Business Leaders for Transportation recognizes that the metropolitan Chicago region has complex infrastructure needs. With the Federal transportation package due to expire on Sept. 30, 2003, we must build on the foundation laid by prior transportation bills to meet the continuing needs of transit, freight and roadways in north-eastern Illinois and to provide a truly multi-modal transportation system.

The reauthorization of TEA-21 must take a closer look at the surface transportation issues that plague metropolitan Chicago. Our region must have meaningful input to ensure that the transportation infrastructure needs of this critical national crossroads area are met. The next bill must be based on policies that coordinate land-use and transportation planning; promote transportation alternatives and encourage people to live near employment centers; improve and enhance our overall quality of life; and support the growth of our economy.

STATEMENT OF PRAIRIE STONE TRANSPORTATION MANAGEMENT ASSOCIATION

The Prairie Stone Transportation Management Association, servicing the Prairie Stone Business Park in Hoffman Estates, Illinois, includes Sears Corporate Headquarters and other regional businesses and a member of the Business Leaders for Transportation Coalition. We are writing to support the increase in transportation funding in the TEA 03 reauthorization and that the formula be re-evaluated so that it places a greater value on projects of national significance. Because northeastern Illinois is the transportation hub of North America, it serves not only the rapidly growing Chicago metropolitan area, but every major north-south and east-west trade corridor. While increased funding helps our economy, Illinois isn't the only beneficiary when our transportation network is well funded.

Our transportation network is key to the nation's ability to move people and goods because of its geographic location. Five of the nation's interstate highways traverse Illinois; the Chicago region serves as the nation's rail hub, and Illinois is one of the nation's major inter-modal centers.

Additionally, the metropolitan Chicago area has been the third worst congested region in the Nation for 6 years running. According to the Texas Transportation Institute the amount of time Chicago area motorists experience congestion has increased from 4.5 hours per day in 1982 to 7.8 hours per day in 2002. A recent survey by CATS (the Chicago Area Transportation Study) indicated that an average commuter spends 46 percent of its commute time in congestion. Congestion is significantly hindering business's access to prospective employees and its movement of goods and services. This congestion also causes delay in the interstate movement of goods by rail and by freight.

Reauthorization of the TEA-21 legislation should include additional funding for transportation generally AND increase Illinois' share of the national total.

ROBERT E. JONES, MAYOR,
Danville, Illinois, April 2, 2003.

Senator JAMES INHOFE, *Chairman,*
Senate Committee on Environment and Public Works

DEAR SENATOR INHOFE: Winter Avenue and the Beltline are two projects that are important to the safety, traffic flow, and economic development of Danville, Illinois.

Reconstruction of Winter Avenue will create improved safety through signalization of Bowman and Winter Avenue, removal and widening of the single lane bridge, removal and widening of the one lane underpass, and addition of a joint use path to accommodate pedestrian traffic. A large number of people use this road as an informal bypass to avoid higher traffic on Voorhees and Vermilion streets to access this area of Danville.

The scope of the Winter Avenue project would include replacement of a single lane railroad underpass, replacement of a single-lane bridge over Stoney Creek, recon-

struction of one mile of Winter Avenue, and signalization of Winter and Bowman Avenue. Traffic counts have continually grown and are currently 8,000 vehicles per day. Residential developments are west, north, and south of the area. Winter Avenue was constructed as a rural seal coat roadway with ditches. A seal coat roadway is not designed for the amount and type of traffic Winter Avenue experiences. On the western end of the project, a hill prevents appropriate sight distance as vehicles approach the one lane structures. The one-lane bridge and one-lane underpass are approximately 150 feet apart. Currently there are no accommodations for pedestrian traffic along the roadway, underpass, or bridge. East bound traffic must yield at the one lane structures.

A major community park has recently been developed on land owned by the City and Danville School District #118 along the south side of the road. We have an eight field soccer complex (serving over 1,800 youth), six softball fields for youth and adults and most recently we constructed an "AMBUC'S Playground for Everyone". The total private donations (cash and in kind services) for these parks exceed \$1.5 million.

The City has hired URS for Phase II Design for this project. They are working with CSX railroad for an acceptable design to meet the City's and CSX's interests.

Until a final design is completed, a highly accurate cost estimate is not available. The anticipated range for construction is \$7—\$10 million, highly dependent on what requirements and accommodations are necessary for CSX railroad. The City has lined up \$1 million of FAU funds and \$600,000 in Illinois First funds from the State. Currently the \$600,000 has not been released, but the City has a signed agreement for the project. This \$1.6 million would pay for reconstruction of 1/3 mile of Winter Avenue from the eastern city limits to the eastern soccer entrance. The remaining portion includes the hill and one-lane structures. The City has been pursuing ICC funding and has a verbal commitment for 60 percent of the cost of replacing the one lane underpass at the CSX railroad. The current estimate for the underpass is \$3.1 million, thus hopefully \$1.86 million of ICC funds. The remaining \$3.54—\$6.54 million is currently not funded.

The County would also like to improve Winter Avenue from the city limits east to short of the State line. They experience a similar level of traffic, but without the local turns to destinations along the route. The improvements for that portion of Winter Avenue would be \$2 million.

The Danville Beltline is being studied by Hanson Engineering. An Access Justification Report (AJR) is currently being reviewed by FHWA. After FHWA's consideration of the AJR, Hanson Engineering will complete its study and report its findings. Preliminary findings support a new interchange with 1-74, a new roadway that opens up additional area for economic development, and ties to other existing facilities such as U.S. 136, Illinois Route 1, Vermilion County Airport, and existing local arterial streets. Without the beltline, the existing available area for growth will be quickly taken up, and the increasing traffic at the existing Lynch Spur interchange would have to be rebuilt, also requiring reconstruction of a bridge on 1-74 at significant costs.

The beltline would be built as warranted with the first phase expected to include a new access to 1-74 and tying to local roadways percent miles to the south and 2 miles or more to the north. The final report is expected from Hanson Engineering this year.

Sincerely,

ROBERT E. JONES, *Mayor*.

STATEMENT OF PHIL PAGANO, EXECUTIVE DIRECTOR, METRA

Good morning, I'm Phil Pagano, Executive Director of Metra. I'm grateful for this opportunity. I'm always eager to talk about Metra's role in the mobility of north-eastern Illinois. I'm especially eager to talk about what we need in order to play our role even better in the future.

Before I go into details about the Federal transportation legislation, let me first review our current status. Metra is a true regional passenger railroad. We connect a dynamic, urban core with a fast-growing ring of communities. I am proud to say that we are recognized as the premier commuter rail system in the United States.

In terms of ridership, Metra is the second largest commuter railroad in the United States. Last year, more than 80 million commuters rode Metra.

In terms of network, Metra is the largest commuter railroad. We operate 11 lines within a service territory of 546 route miles in a traditional hub and spoke pattern focusing on the Chicago Central business district. We own and directly operate four of those lines. We contract with two major freight railroads for service on four other

lines. And through trackage agreements, we directly provide service on three more lines.

We operate this network with an industry-leading on-time performance record, averaging 96 percent last year.

Since 1970, the number of metropolitan areas served by commuter rail systems has increased from 11 to 18, with many more cities creating or considering commuter rail systems. This success in growth can be attributed to a number of factors, including the existence of rail rights-of-way, and the need for communities to alleviate traffic congestion, reduce air pollution, and provide reliable transportation alternatives for a growing number of commuters. All of this can be accomplished by commuter rail.

One central issue currently facing the commuter and rail industry in general is the subject of grade separations. It's a topic that I'd like to expand on here.

Metra has been a leading advocate in the region for an aggressive grade separation program. In fact, we've identified 225 grade crossings that would be key in enhancing the mutual flow of traffic and productivity of operations for commuter rail and freight operations. These targeted grade separation projects are critical for the communities we serve. So much of our territory is experiencing growth. That growth inherently delivers more traffic on the busy roads that cross our system.

As we continue to plan for growing customer demand for our service, it is critical that we accomplish these grade separation projects. They would greatly improve the flow of traffic on roads and streets, and increase the safety and productivity of both commuter and freight services. This program is a true win-win concept.

Wherever a road or highway intersects a Metra line at grade, motor vehicle traffic can be delayed as trains pass. When vehicles block the tracks, trains are also delayed. More important, all too frequently motorists and pedestrians ignore crossing gates and warning signals, and are killed as they attempt to cross in front of a train. While most motorists are cautious, this is an imperfect solution.

All proposed grade separations would, of course, be discussed and coordinated with the relevant local community.

Grade crossing replacements would naturally be executed over an extended period of time. The cost for a program of this dimension will be approximately \$2.5 billion. The permanent, long-range benefit of this initiative will provide for enhanced personal mobility, and more livable communities, in addition to greater safety for both commuters and motorists.

Metra would strongly support a Department of Transportation-wide program that can provide grants, loans, bonding authority, tax incentives and other components to address high-priority grade separations. We feel that would go a long way to improving the safety and efficiency of the nation's transportation system.

The landmark TEA-21 legislation has been enormously helpful in providing a significant, dedicated funding stream for transit.

Metra has benefited greatly from TEA-21. Three of our current project expansion projects—the SouthWest Service, Union Pacific West, and North Central were all, authorized under the New Start section of TEA-21.

A big highlight came in November 2001 when Metra received Full Funding Grant Agreements for the three aforementioned projects. We were delighted that the U.S. Department of Transportation recognized the importance of our program to a region where there is serious gridlock.

I'd like to reiterate our appreciation and thanks to the entire Illinois delegation, led by Speaker Hastert, for helping pave the way. Without such support, these projects would not exist.

Under TEA-21, a great deal of significant progress will be made on growing the system, upgrading the infrastructure, and enhancing the system to attract new riders. While clearly much has been accomplished by Metra to date, it is equally certain that Metra faces a new set of challenges as we wage a continuing capital-intensive battle to reclaim, modernize, and expand the region's rail infrastructure.

With the reauthorization of TEA-21, Metra intends to build on its past record of success, and its responsible and productive expenditure of available resources, by continuing on core capacity improvements and strategic system expansion.

Population forecasts and leading economic forecasts point to continuing and growing demand for high quality commuter rail service. For Metra, the mission remains twofold: preserve and enhance its core network of service while at the same time expanding and upgrading the system in order to meet future ridership and service requirements.

Accordingly, Metra has identified five TEA-3 projects which will enhance and significantly improve service reliability and operational performance, as well as offer new service opportunities for thousands.

The proposed new lines, known as the STAR Line and the SouthEast Service Line, would provide service to northwest and southeast Cook County, Kane, DuPage and Will counties.

In addition to the proposed routes, infrastructure initiatives on the Union Pacific Northwest and West lines, and the A-2 Interlocker will help improve service for more than 60 percent of our customer base.

We look forward to the continued leadership of the Illinois delegation throughout the TEA-3 reauthorization process. Simply put, the impact of this legislation cannot be overstated.

Metra supports two key principles being included in the next reauthorization bill: (1), increasing the amount of funds for "New Start" projects; and (2), ensuring that older systems continue to be eligible for "New Start" funding.

In addition, we would also support efforts to ensure that funding levels recommended in full-funding grant agreements for a given year are honored, so that the projects can receive the funding necessary to remain on schedule.

As with the New Starts program, commuter rail also has significantly benefited from the fixed guideway modernization program. This program has brought stability to commuter rail, allowing systems to make needed upgrades and improvements.

We believe the current structure and formula allocations work and do not need changing. However, because of the increase in the number of commuter systems and the critical funding needs, we support an increase in funding for rail modernization.

Rail infrastructure improvements will allow the overall system to run more effectively and safely. These improvements will attract new riders, provide better service to existing riders, and will reduce train congestion and interference between freight and commuter trains. All these factors will positively benefit the economy at large.

STATEMENT OF ST. LOUIS REGIONAL CHAMBER AND GROWTH ASSOCIATION

I. Introduction

The St. Louis Regional Chamber and Growth Association (RCGA) respectfully submits this statement to Senator James Inhofe, chairman of the Senate Committee on Environment and Public Works, on the occasion of the U.S. Senate. Field Hearing on Surface Transportation in Chicago, Illinois April 7th. RCGA requests that this statement be made an official part of the record of this hearing.

II. RCGA

The RCGA is the chamber of commerce and economic development organization for the Greater St. Louis region that includes the Illinois counties of St. Clair, Jersey, Madison, Clinton and Monroe; and St. Louis City and the counties of St. Louis, St. Charles, Lincoln, Warren, Franklin, and Jefferson in Missouri. RCGA's 4,000 member companies constitute nearly 40 percent of the regional workforce. As the St. Louis region's economic development organization, RCGA is a voice for all of the area's over 60,000 businesses in its effort to improve the community as a place to do business and enhance its overall quality of life.

III. Surface Transportation Reauthorization Issues

Our nation's surface transportation system is the backbone of America's commerce, economic viability, security, and vitality. Our nation's global competitiveness depends on a well maintained, functioning network of roads and bridges. And, preserving and improving this system of mobility and accessibility is indispensable to maintaining our quality of life. As the Committee on the Environment and Public Works moves forward structuring the reauthorization of surface transportation bill, you have the opportunity to support and improve upon the philosophy and overall direction of ISTEA and TEA-21 that have served to strengthen the nation's infrastructure.

Building infrastructure requires programmatic and funding stability. We would urge the full utilization of the Highway Trust Fund and maintenance of the existing "firewalls" to insure all funds authorized can be spent. To avoid large swings in annual adjustments in funding, we would urge maintaining and refining the Revenue Aligned Budget Authority mechanism. An equitable distribution of funds requires the new bill to address the fairness of the minimum guarantee formula to States, in particular to those States that are "donors."

The Interstate roads and bridges are the nation's most important system for the movement of goods and people. Because that system is now fifty years old in many places and in need of major rehabilitation, support for preservation of this system is paramount. While this can—and should—be addressed through an increase in programmatic funds, certain High Priority Projects and "mega" projects (due to their

sheer size and scope) need to be accounted for “over and above” minimum guarantees to States. These projects are, for the most part, truly national in significance and should be identified as such and treated separately.

IV. The Need for a New Mississippi River Bridge at St. Louis

In the St. Louis metropolitan region, the construction of a new Mississippi River Bridge located just north of downtown is one such “mega” project deserving of special status and funding due to its significance to the region and the Nation. The construction of this river crossing is the No. 1 transportation priority in the St. Louis region. It is a vital link in our nation’s surface transportation network and its construction stands to produce benefits on a local, regional and national scale. The new bridge means economic benefits and job creation, transportation efficiencies, improvements in safety, and congestion reduction to the region. Its position as an improved Mississippi River crossing for three vital interstates in America’s heartland strengthens our nation’s defense, communication and economic infrastructure. It is at the crossroads of national east-west traffic and north-south goods movements that support our nation’s commerce.

The national importance of the crossing cannot be stressed enough. Recent media reports (see Attachment 1: St. Louis Post Dispatch, March 27, 2003) identifying St. Louis Mississippi River bridges as one of a few national “targets” for terrorism bring this point home. St. Louis is the second largest freight hub in the Midwest, and the 1–70 corridor is one of the primary east-west interstate routes for the US. (see attachment 2: St. Louis Total Combined Truck Flows, USDOT) The new bridge will serve the heart of America where one out of five industrial jobs are located and 40 percent of exports originate. The bridge location will facilitate east-west traffic and the north-south goods movement important to NAFTA trade relations which support 27 percent of U.S. agricultural exports. Currently, we rely on a single crossing where four vital interstates come together leaving us vulnerable.

The construction of the new bridge will generate \$2.6 billion in economic benefits to the region and create the equivalent of 47,000 year-long national and regional jobs. An estimated \$68 million in tax receipts to State and, local entities will result from investment in this important project. Rush hour congestion on the existing facility is expected to double to 3 hours in 20 years, leading to severe and unacceptable delays. Reduction in congestion with the new bridge will result in a net travel time savings of 16,000 vehicle-hours per day and a net savings of \$52 million per year to those using the facility. Approximately \$4.6 million per year will also be realized as a result of a safer crossing yielding fewer accidents.

Local support for the bridge is strong and long-standing. The total cost for the project is \$1.6 billion. Of that, \$308 million has already been committed and engineering and construction are proceeding with those funded elements. The goal is to secure discretionary Federal funding to complete this needed project over and above regularly apportioned Federal dollars to the States of Missouri and Illinois.

We strongly support this project. It is good for our businesses, good for the region and is a key element of our nation’s transportation infrastructure. The new Mississippi River Bridge deserves to be included as an element of the new surface transportation bill this committee will consider. We urge your support for this project for the St. Louis region and the Nation.

V. Conclusion

Mr. Chairman, members of the committee and distinguished members of the Senate in attendance at this field hearing, thank you for this opportunity to comment on the particular interests of the St. Louis region and the RCGA in maintaining a strong surface transportation network for America. RCGA appreciates the chance to share our concerns and recommendations as you work to prepare a new surface transportation bill. We hope we have provided insights into what we believe are important considerations for inclusion in the bill. We look forward to working with the members of this committee to craft surface transportation legislation that meets the needs of the St. Louis region, the States of Illinois and Missouri, and our Nation.

Respectfully submitted,

RICHARD C.D. FLEMING
President and Chief Executive Officer
St. Louis Regional Chamber and Growth Association

ATTACHMENT 1

[March 27, 2003]

THREAT PROMPTS POLICE TO WATCH 2 BRIDGES

(By Bill Bryan of the Post-Dispatch)

St. Louis police have assigned officers to watch two Mississippi River bridges 24 hours a day after a captured al-Qaida leader told interrogators about what Chief Joe Mokwa described Wednesday as a "generic threat."

"We have uniformed officers looking for anything unusual," Mokwa said. He declined to say which of the seven bridges are getting the attention or how the two were chosen.

Homeland security officials have long recognized the Poplar Street Bridge as a potential target. It carries three interstates—55, 64 and 70—and accommodates about 35 percent of the car and truck traffic across the Mississippi in the St. Louis region.

St. Louis also has two rail-only bridges, the Merchants and MacArthur, which get little public notice but play a vital role in national commerce.

Mokwa said the FBI alerted him about 2 weeks ago. The information came from Khalid Shaikh Mohammed, a high-ranking al-Qaida member who was captured March 1 in Pakistan. Mohammed reportedly told officials that al-Qaida was interested in hitting symbolic landmarks and named the White House, the Israeli embassy in Washington, the Sears Tower in Chicago and bridges in Manhattan, St. Louis and San Francisco.

Thomas E. Bush III, special agent in charge of the FBI's office in St. Louis, confirmed the report Wednesday and emphasized, "There are no specific threats to any bridge in the St. Louis area."

He added, "There has been a lot of nonspecific information that has come out but never substantiated. In this case there's no timetable given, nothing specific."

"You have to be careful in situations like this not to overreact. You don't want to create panic. There have been a number of these kinds of reports, and you have to take them in context."

But even vague threats are handled seriously, Bush said. "You're damned if you do, and damned if you don't. It's better to err on the side of caution."

The FBI "took necessary steps" that included notifying local police, he said.

Mokwa said that after the report, police photographed and studied the bridges. He would not discuss how officers are monitoring them.

Illinois State Police Capt. Richard A. Woods, commander of District 11 in Collinsville, said he was aware of the terrorist alert, but he declined to say how his agency might be involved.

In June, security at the Edward Jones Dome downtown was tightened after reports that people with ties to unspecified terrorist groups had used an Internet site to gather information about it and the RCA Dome in Indianapolis.

Bill Eubanks, then special agent in charge of the FBI here, called that information "very vague." Nothing came of it.

Besides the Poplar Street, Merchants and MacArthur, there are four other Mississippi River bridges in the city. Two, the New Chain of Rocks (1-270) and King bridges, carry cars and trucks. The Eads is used only by MetroLink trains, although it has a road deck under reconstruction. The McKinley is closed for repairs.

There are two more bridges in the region not in the city: the Clark Bridge, linking St. Charles County to Alton, and the Jefferson Barracks Bridge, linking south St. Louis County to Monroe County.

STATEMENT OF JOSEPH L. MIKAN, WILL COUNTY EXECUTIVE

Will County, Illinois, is taking this opportunity to provide you with information on its desires and concerns regarding the upcoming reauthorization of the Federal transportation bill, TEA-21. This information is being submitted to you in correlation with the U.S. Senate Committee on Environment and Public Works' (EPW) field hearing on the transportation needs of Illinois.

Will County, Illinois, is the second largest County in northeastern Illinois and the 13th largest in the State with a current population of 536,000 and growth projections that have made it the fastest growing county in Illinois and placed it in the top ten fastest growing counties in the United States. The points listed below identify policies for the re-authorization of TEA-21 that are necessary to the improvement of mobility for all of Illinois and the County of Will.

- Increase Federal funding levels of the transportation bill overall in order to meet critical needs for rehabilitation and new capacity. Increase Illinois' share of formula-based funds, removing Illinois from donor status to recipient status due to infrastructure needs.
- Maintain the firewalls made part of the TEA-21 legislation, protecting funding levels for highway and transit programs from being diverted throughout the cycle of the bill.
- Continue the inclusion of quality core programs such as Infrastructure Maintenance (IM), Bridge, Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ), Enhancement, and National Highway System (NHS) and maintain or increase funding levels of these programs.
- Broaden the eligibility of CMAQ to allow eligibility of projects that prevent congestion levels from current levels used to determine eligibility based on the need to "mitigate" congestion.
- Maintain Federal/local match guidelines at 80/20 for highway and transit projects
- New Transportation Security programs should be funded with General Revenues
- Develop a new Federal funding program to address airport planning including land-use, transportation and tax issues.
- High Priority Project programs are an important mechanism for addressing critical infrastructure and planning needs and should be in addition to formula-based funds.
- Eliminate the requirement for Major Impact Studies (MIS) as their purpose can be fulfilled through Federal EIS process requirements.
- Develop a Federal program to address rail freight issues.

These policy concepts for the re-authorization of TEA-21 can provide the structure and vehicle for the planning and funding of projects and programs that are crucial to maintaining quality of life for the citizens of Will County and the State of Illinois. Thank you for this opportunity.

STATEMENT OF THE COLES COUNTY ECONOMIC DEVELOPMENT COUNCIL

In 1998 a coalition of Public and Private entities in East Central Illinois were successful in receiving approval for a new interstate interchange designed to improve economic development, tourism and our quality of life. We have secured \$8.15 million in Federal funds, \$9.93 million in State funds, \$3.6 million in Illinois Commerce Commission (Safety) funds, \$6 million in Truck Access Route Program funds, \$5 million in Surface Transportation Rural funds and \$.3 million in Canadian National Railroad funds. The total cost of the project is estimated to be \$28 million. Considering the funding secured above, we remain \$4,920,000 short. We have recently been in contact with Senator Fitzgerald regarding the use of Economic Development Agency funding to insure all aspects of the project can be funded and completed.

Interstate 1-57 is the major transportation artery for Coles County and the East Central region of Illinois. It runs north and south and is located between Mattoon and Charleston, populations 19,000 and 20,000 respectively. The existing interchange serving both cities and other surrounding counties and communities provides access to IL Route 16 which goes through the center of both Mattoon and Charleston. Both communities have their industrial parks on their north sides requiring heavy industrial traffic to travel through the communities to access IL 16 and eventually 1-57. County and community leaders recognize that a new access point to 1-57 north of the existing IL 16 interchange would make their local industries more competitive and remaining industrial space more desirable while improving safety by eliminating the industrial truck traffic on IL 16. The existing interchange forces industrial traffic through 11 stop lights in Mattoon and 16 stop lights in Charleston while passing by and transiting a Regional Hospital, Eastern Illinois University, Coles County Airport, Cross County Mall as well as numerous commercial and residential areas. Just eliminating the need to endure stop lights will save our existing industries a conservative estimate of \$274,000 per year in transportation operating costs.

One popular tourist attraction in East Central Illinois is Lake Shelbyville. Currently there is no direct access to those recreational facilities from 1-57. Access today involves considerable travel on secondary roads along indirect and confusing routes.

As mentioned earlier support for this new 1-57 interchange has been regional in nature. Private economic development groups, Lake Shelbyville Association, Coles

County and the cities of Mattoon and Charleston are among those (Attachment 1) contributing funds for the feasibility and early design stages of this project.

Attachment two is a diagram defining the proposed new interchange and the roads connecting to the industrial areas of Mattoon and Charleston. The \$4,920,000 being requested would fund projects #1 and #2 shown in blue on the diagram. Project #1 would provide direct access to the recreational facilities at Lake Shelbyville as well as a less congested and safer access to the Interstate system for citizens living in Douglas, Moultrie and Shelby counties.

One of our primary industries in East Central Illinois is agriculture. Some of the most productive farm land in the Nation lies north of IL 16 in Coles County. The new interchange and associated connecting roads, will impact access to fields for planting and harvesting several thousand acres of prime agricultural land. Project #2 would improve an existing but severely undersized road to accommodate farm implements. Project #2 along with locally funded improvements will provide the access necessary to support our agribusiness and separate slow moving farm implements from heavy industrial traffic.

The communities in East Central Illinois have been investing in improving our infrastructure to make us competitive with surrounding areas and States for economic development. We enjoy an outstanding quality of life and serve as a regional center for health care, education, shopping, tourism and industry. The new interchange and connecting roads will enhance our ability for growth while further improving our quality of life. Your support of this project will have a major impact on helping us to help East Central Illinois to grow and prosper in the years to come.

Sincerely,

ROSCOE M. COUGILL, *Mayor*
City of Charleston

DAVID SCHILLING, *Mayor Pro-tem*
City of Mattoon

CARL FURRY, *County Board Chairman*
Coles County Board

STATEMENT OF THE CITY OF COLLINSVILLE

OFFICE OF THE CITY MANAGER,
March 28, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Senate Environment and Public Works Committee,
Senate Office Building,
Washington, DC 20510-3603.

DEAR SENATOR INHOFE: This letter is written in support of a proposed project to upgrade IL-159 through the City of Collinsville, Illinois, that I understand will be reviewed by the committee on April 7, in Chicago.

This newly proposed project is actually the "missing link" of a State of Illinois project to upgrade IL-159 from Fairview Heights, Illinois through Collinsville, and onto Edwardsville, Illinois. The overall widening of IL-159 is in the State's long-range plan, which did not include this project. It is my understanding that this segment will be included in the MPO's Transportation Improvement Program.

The State of Illinois is currently in the process of upgrading IL-159 to five (5) lanes from the north and from the south of Collinsville. This will leave a 2 1/2 mile strip with just an existing two (2) lane width through the City of Collinsville. Congestion on IL-159 is a daily phenomenon in Collinsville and future relief cannot occur without an upgrade of the existing two (2) lanes. This narrowing, in my opinion, also reduces economic development opportunities (business), as vehicles will bypass Collinsville on other intrastate and interstate roadways. It also defeats the regional purpose to move traffic freely north and south between Fairview Heights and Edwardsville, which are vibrant centers of commerce, located in St. Clair County and Madison County, respectively.

The project estimates range from \$2 to \$4 million for Phase I/Phase II engineering, and from \$15 to \$35 million for engineering, land acquisition and construction, depending on which option is finally approved.

We ask for your help in providing any assistance that you can give with regard to this study and upgrade of IL-159 to current standards. Thank you in advance for your kind consideration.

Sincerely,

HENRY SINDA, *City Manager,*
City of Collinsville.

CARBONDALE, ILLINOIS 62902-2047
April 3, 2003.

Hon. JAMES INHOFE,
United States Senator,
Senate Office Building,
Washington DC 20510.

DEAR SENATOR INHOFE: Enclosed for your information and reference is a copy of Resolution 2002-R-64 which supports the expansion of Illinois Route 13/127 from two lanes to four lanes between Murphysboro and the north side of Pinckneyville (commonly referred to as the 4-127 project). This resolution was unanimously passed by the City Council of the City of Carbondale on September 3, 2002.

As noted in the resolution, this \$80 million project would close a large portion of the gap in the system of four-lane highways between the major population centers in southern Illinois and the St. Louis metropolitan area. In addition, it would address existing roadway deficiencies and traffic safety concerns as well as the need for an adequate transportation system for regional growth and development in southern Illinois, including the improved ability to transport goods and services to the St. Louis metro area and beyond.

The City of Carbondale appreciates your support of this very important project. Please contact me if you have any questions or need additional information. Thank you.

Sincerely,

NEIL DILLARD, *Mayor.*

RESOLUTION NO. 2002-R-64

A Resolution Supporting The Expansion of Illinois Route 13/127 (FAP Route 42) From Two Lanes to Four Lanes Between Murphysboro and Pinckneyville, Illinois

Whereas, communities in the southwestern portion of Illinois and the Illinois Department of Transportation have been advocating the possibility of a freeway between Southern Illinois and the St. Louis Metro-East area for many years; and,

Whereas, upgrading the portion of Illinois Route 13/127 (FAP Route 42) from two lanes to four lanes between the north edge of Murphysboro and just north of Pinckneyville would close a large portion of the gap in the system of four-lane highways between the major population centers in southern Illinois and the St. Louis metropolitan area; and

Whereas, this upgrade would also address existing roadway deficiencies and traffic safety concerns, as well as the need for an adequate transportation system for regional growth and development in southern Illinois, including the improved ability to transport goods and services to the St. Louis metro area and beyond; and

Whereas, the Illinois Department of Transportation has acknowledged the regional significance of the expansion of Illinois Route 13/127 between Murphysboro and Pinckneyville and has identified it as a high priority project; and

Whereas, recognizing that the economic feasibility of this important road project is contingent upon Federal participation, United States Congressman Jerry Costello has also indicated support for the project,

Now, Therefore, Be it Resolved by The City Council of The City of Carbondale, Illinois, as Follows:

1. That the City Council of the City of Carbondale, Illinois, go on record in support of the expansion of Illinois Route 13/127 (FAP Route 42) from two lanes to four lanes between the north edge of Murphysboro and just north of Pinckneyville, Illinois;

2. That the City Council of the City of Carbondale also supports the continuation of the expansion of Illinois Route 13/127 to four lanes from Pinckneyville to Interstate 64 north of Nashville, Illinois; and

3. That copies of this resolution be sent to IDOT District Engineer Karl Bartelsmeyer, State Senator David Luechtefeld, State Representative Mike Bost,

U.S. Congressman Jerry Costello and U.S. Senators Peter Fitzgerald and Richard Durbin.

This Resolution passed and adopted by the City Council of the City of Carbondale, Illinois, on the 3d day of September 2002.

APPROVED:

NEIL DILLARD, *Mayor*.

ATTEST:

JANET M. VAUGHT, *City Clerk*.

March 31, 2003.

Office of the County Engineer,
Madison County Highway Department,
7037 Marine Road,
Edwardsville IL 62025.

Project name and location: This project is called "Crosstown Road" and is located entirely within the Village limits of Godfrey.

II. Description: The proposed project is the construction of a highway on new alignment to create a cross town route across Godfrey, Illinois from Illinois Route 3 on the south to U.S. 67/Illinois Route 111 on the north. The southerly segment of the new highway from Illinois Route 3 to Pierce Lane will be a 2 lane (24 ft.) concrete pavement with 10-foot wide bituminous shoulders and open drainage ditches, and it will include the construction of a bridge across Rocky Fork Creek. The northerly segment of the new highway from Pierce Lane to U.S. 67/Illinois Route 111 will be a 3 lane (36 ft.) concrete pavement with a middle bi-directional turning lane, concrete curb and gutter, and storm sewers. The maximum grade on the new highway will be 4 percent, which will accommodate future truck traffic. Traffic signals will be installed at each end of the proposed highway.

III. Need: The Village of Godfrey has developed primarily along two State highways Illinois Route 3 in an east-west direction and U.S. 67/Illinois Route 111 in a north-south direction. These two highways are already congested, and the connection of U.S. 67/Illinois Route 111 to Illinois Route 255 will add to the congestion. The proposed highway will provide an alternative cross town route across Godfrey in addition to the existing State highways, and it will relieve congestion on Illinois Route 3, U.S. 67, and Illinois Route 111. A new fire station is planned along the south side of Crosstown Road near U.S. 67/Illinois Route 111, and the existing Sheriff substation is already located along the north side of the Crosstown Road near U.S. 67/Illinois Route 111. Emergency response times in the Village of Godfrey will be reduced by the construction of the Crosstown Road. The proposed Crosstown Road has been included in Godfrey's economic development Town Center concept, which is a planned commercial and residential development north of Airport Road between Pierce Lane on the west and U.S. 67/Illinois Route 111 on the east. The proposed Crosstown Road will bisect this planned development and provide improved vehicular access to the site. The proposed crosstown route has been designed with the environmental and open-space issues in mind that have been expressed by concerned Godfrey residents (see letter attached to hard copy).

IV. Estimated cost: The total cost of this project is approximately \$19,655,000 in 2002 dollars.

V. Regional significance: This project has national and regional significance due to its connection to the area's existing and future transportation network. The southerly terminus of the project will be at the existing "T" intersection of Illinois Route 3 and Clifton Terrace Road (Madison County Highway 16). Clifton Terrace Road extends southerly from Illinois Route 3 to the Great River Road adjacent to the Mississippi River, which is a federally designated Scenic Byway. The future southerly extension of the Crosstown Road also will connect to the Great River Road. The northerly terminus of the project will be at the existing "T" intersection of U.S. 67 and Illinois Route 111. These two highways will be improved by IDOT to connect to the future extension of Illinois Route 255, which is the northerly extension of Federal Aid Interstate Route 255. The proposed project also has national and regional significance of a historical/sociological nature because it will cross the route of the Underground Railroad used by slaves in the 1800's to travel from the south to the north.

Project name and location: This project is called Governors' Parkway and is an east-west cross-town road located mostly inside the City of Edwardsville.

II. Description: This project is a 3 lane (middle bi-directional turning lane) concrete road with ten foot stabilized shoulders. This road will start at Illinois Route 143 (1/4 mile West of 1-55) and proceed Westerly thru Edwardsville to Illinois Route 159. It will start again at Relocated Illinois Route 159 and proceed Westerly to termination at Illinois Route 157 (at the entrance to Southern Illinois University—Edwardsville.)

III. Need: Edwardsville and the immediate area has exploded with economic and residential development in the last decade and the future shows no let-up. Traffic congestion both in the North-South and especially in the East-West corridors is extremely bad. This project will provide needed access for development along the Illinois 159 corridor as well as relieve congestion from Center Grove Road which is the only East-West road to connect Illinois 159 and 157 in the Southern part of the City. A forty-plus-acre shopping mall will be constructed in the 159 corridor. Edwardsville High School and Metro East Lutheran High School will be served by this road when constructed. And as stated earlier SIDE will also be served.

IV. Estimated cost: The total cost of this project is approximately \$15,415,000 in 2002 dollars.

V. Regional significance: This project is a rejuvenated IDOT project. DOT started this project in the early sixties and it was to be the vehicle to get people from 1-55 and the Eastern part of Madison County to Southern Illinois University-Edwardsville. DOT put this project on the shelf but kept the previously purchased right-of-way in tact. Edwardsville and Glen Carbon are expanding so rapidly to the East that Madison County stepped in to become the lead agency due to the large cost factor to construct this road. Once again this road will be a most needed conduit for Eastern Madison County and 1-55 traffic to get to SIUE.

CITY OF VILLA GROVE, ILLINOIS,
April 1, 2003.

Senator JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

RE: Proposed public works project for Villa Grove

HONORABLE SENATOR INHOFE: Per our prior request and direction from Illinois Senator Peter Fitzgerald's office, I am writing to ask for your support in a grant to our community for extensive repairs to the streets of our City.

The City of Villa Grove is a small community in East Central Illinois, covering approximately five square miles and with a population of 2,553. A large number of our residents commute approximately 20 miles north to Champaign/Urbana, where the University of Illinois is located. We have the advantage of being a rural, friendly community with good schools, recreation and small businesses, while still having access to "city life" with a short drive.

Our City has suffered the effects of the State of Illinois's significant budget cuts, coming just after an approximate 6.6 percent loss of population in the 2000 census. Last year alone the City of Villa Grove lost nearly 15 percent of revenues compared to the preceding year. Adding the "bedroom" community effect to that equation means a continued loss of retail sales tax revenue as residents can make purchases from big name stores while in Champaign rather than from local businesses who cannot compete—we've recently lost several businesses including a hardware store and the City's only pharmacy. Many others, including our schools, have made cuts in both products and labor forces. Unfortunately, we feel certain that the immediate future holds more losses for us, at least until the economy begins an upward trend.

We have a number of worthwhile projects that were and continue to be cost-prohibitive, such as drainage issues and the need to replace our Community Building that has sustained continuous damage from floods. Currently, the City has approximately 2.5 to 3 miles of paved streets in need of significant repair or replacement. These roadways date back to the 1920's, and are broken and being washed out below the concrete surface. Our current rough cost estimate to remove, fill and lay new asphalt and raise necessary manholes would be around \$350,000-400,000. This type of work would be normally be eligible for Motor Fuel Tax funds, but those revenues have declined as well due to the population loss. It is all we can do at this point to keep up financially with "band-aids"—short-term repairs to keep the roads usable.

With revenues down and belts being tightened, any help you can provide in your role as chairman of the Public Works Committee would be sincerely appreciated. I

look forward to hearing from you, in the hopes that together we can turn this project from a “someday” proposal into a factual accomplishment.

Cordially,

RONALD H. HUNT, *Mayor*.

HIGHWAY 34 CORRIDOR,
April 4, 2003.

Hon. PETER FITZGERALD,
*U.S. Senate,
Senate Office Building,
Washington, DC. 20510.*

DEAR SENATOR FITZGERALD: The Highway 34 Coalition strongly supports actions that will ensure the completion of U.S. 34 as a four-lane highway in Illinois and Iowa. We believe that we are at an especially crucial crossroad. There is heavy competition throughout the Nation and the States for limited resources for new road construction. Therefore, the Coalition is requesting that legislation be undertaken that will ensure that the U.S. 34 four-lane improvement remains a top priority with the U.S. Department of Transportation and receives full funding.

The Highway 34 Coalition was formed in 1990 as bi-state, bi-partisan coalition of community organizations, local government representatives, businesses and individuals who were committed to revitalizing the economic climate of the region through the improvement of the transportation system-especially the U.S. 34 corridor. Our focus and commitment to this project has not diminished during the past 13 years.

We believe that U.S. 34 should be completed as a four-lane because . . .

- Between January 1990 and June 2002, 1,666 accidents including 14 fatalities (January 1994-June 2002) occurred on U.S. 34 in Henderson and Warren counties.

- Seven high accident locations have been identified within the U.S. 34 project corridor.

- The proposed improvements are expected to reduce traffic accident rates in these areas by providing a safer, more efficient route between Monmouth and Gulfport.

- Within the four-lane expressway around the west and north sides of Monmouth, the accident rate for 1998, 1999 and 2000 ranged up to 4.38 accidents per million vehicle miles traveled as compared to the statewide average accident rate for urban divided highway of 1.52 accidents per million vehicle miles traveled.

- Much of U.S. 34 from U.S. 67 to Guilford lacks adequate shoulders and clear zones. Portions of this section do not meet current standards for horizontal alignment and that passing sight distance is limited.

- US 34 is a key regional corridor for the east-west movement of people and goods in, and through, west central Illinois. U.S. 34 will be the major east-west corridor connecting Interstate 74 and the Avenue of the Saints (Interstate 218).

- The Great River Bridge/US 34 over the Mississippi River is the only four-lane bridge for approximately 130 miles. (Nearest four-lane bridges are in the Quad Cities and at Hamilton. The nearest bridges are at Muscatine (46 miles north) and Niota (17 miles south)-but they are only two lane. The existing large volume of truck traffic (13-31 percent) is expected to increase.

- US 34 is vital to the economic growth of west central Illinois. U.S. 34 is a regional highway priority as identified by the Tri-State Development Summit Transportation Task Force.

- The average daily traffic volume on U.S. 34 ranges from 10,300 west off the Carman blacktop to a range of 3,950-7,500 along the corridor and at the U.S. 67 Interchange. (Projected traffic volumes along the existing route are expected to range from 6,200 to 17,500 in the 2025 design year.) (The Big River Resources ethanol plant estimates 3,000 trucks per month will be added to the traffic count on U.S. 34 when it begins operations in West Burlington the fall of 2003.)

- Each year the cost increases. The estimated total costs to complete the highway in December 2000 was \$295 million. In February 2003, the estimated total cost was up to \$330 million-that's a \$40 million increase in just 26 months. That's almost a \$1 million per mile per year cost increase.

- The time has come to complete the U.S. 34 Corridor. The project started 36 years ago. During 1963-69, the Illinois Highway Study Commission prepared a highway needs and study plan for the State. As part of that plan, several different corridor approvals were granted in the vicinity of U.S. 34. In 1967 a corridor from Guilford to southwest of Gladstone was approved and in 1970 a corridor from Gladstone to Monmouth. However, it wasn't until 1997 that the U.S. Department of

Transportation Federal Highway Administration allocated funding to prepare an Environmental Impact Statement.

Your support in ensuring that U.S. 34 becomes a four-lane highway sooner than later is greatly appreciated. Please find enclosed testimonials concerning the need for the few miles remaining to be completed. Let's make it 0 miles to go!

Respectfully,

KURT MCCHESENEY, *Chairman*
Highway 34 Coalition

TESTIMONIALS IN SUPPORT OF COMPLETING U.S. 34 AS A FOUR-LANE

The following are excerpts from letters received by the Highway 34 Coalition from businesses, community organizations and governmental entities in support of completing U.S. 34 as a four-lane for safety and economic reasons:

Big River Resources Cooperative, West Central Illinois & Southeast Iowa

The Board of Directors of the Big River Resources Cooperative ethanol plant project strongly encourages the development and expansion of U.S. 34 in western Illinois and eastern Iowa. The Big River plant will begin operation in December or January of 2003/2004 and we anticipate 150 trucks or semis to be using U.S. 34 on a daily basis to deliver corn and manufactured goods as well as carry the products we are producing. We believe that expanding from the present two-lane to the proposed four-lane is essential for not only safety concerns but will be an economic benefit to the region surrounding Burlington, IA and Monmouth, IL.

Big River Resources presently has an office in Illinois as the site in Iowa is under construction. We are a regional project whose goal is to add economic benefits to the agricultural sector of this region. We are aware of U.S. 34 on a daily basis and realize the important connection it is between Illinois and Iowa.

TERRY DAVIS, LEGISLATIVE CO-CHAIRMAN

264 U.S. HWY 67

ROSEVILLE, IL 61473

NELSON TRUCKING SERVICE, INC., MEDIAPOLIS, IA

Nelson Trucking Service would like to express its support of the 34 Coalition and its effort to see that the highway in question is completed this resulting in a 4-lane highway. Nelson Trucking has been in business for over 70 years and this particular stretch of road is a familiar one for us.

We operate 15-20 trucks on a daily basis through this stretch of road. We are a flatbed operation that hauls numerous loads of building materials (ex. Steel, shingles, lumber, brick) to meet our customers' needs in the Southeast Iowa and Illinois area. For Nelson personally, that means millions of miles and in excess of 180,000,000 lbs. per year. An expanded road for our industry means a higher security for our divers and fellow highway users. Obviously, accidents are reduced and fears are eased. Nelson Trucking would like nothing better than to see that every opportunity has been taken to ensure the safety of all drivers on the road.

NELSON TRUCKING COMPANY

MONMOUTH GRAIN & DRYER CO., MONMOUTH, IL

Confirming our telephone conversation this morning, we at the Monmouth Grain & Dryer Co. Inc., are proud to sponsor one of the golf holes at the "Highway 34 Coalition Golf Outing." We certainly understand the importance of this project moving forward.

From Monmouth to the Burlington, Iowa area, our company transports approximately 60,000 tons of goods per year. Needless to say, we are very concerned about safety while traveling the current conditions. We are always aware of safe conditions and can attest to the difference from east-to west out of Monmouth.

JAMES M. LOVDAHL, PRESIDENT MONMOUTH GRAIN & DRYER CO., INC.

WAL-MART STORES, INC., MT. PLEASANT, IA.

My staff and I wholeheartedly support the efforts of the Highway 34 Coalition!

Our facility uses U.S. 34 daily to ship merchandise to our Wal-Mart Stores and Supercenters. We also use the corridor very heavily to bring freight back to our Distribution Center from vendors and consolidators in Illinois and points east. We certainly depend on this highway to run out business!

At the same time, our Drivers have had some very close calls-near collisions-while navigating this road. The narrowness of the road itself, limited sight distance in certain areas, and slow-moving local traffic are the main problems here.

It's obvious to us that based on usage and the importance of this road, it should be a four-lane highway. Please include us in any efforts to make that happen. And let any/all influencers and decisionmakers involved with this effort know that Wal-Mart supports a better, safer highway.

CHICK YATSKO, GENERAL TRANSPORTATION MANAGER
WAL-MART DISTRIBUTION CENTER, MT. PLEASANT, IOWA
ATLAS INTERMODAL TRUCKING SERVICE, INC., BURLINGTON, IA

Every year Atlas Intermodal trucks travel across Highway 34 in Illinois with approximately 3,780 loads. The heavy traffic on the two-lane section of this road is cause for great concern for the safety of our drivers and others using this highway.

We are certainly supportive of efforts to obtain State of Illinois commitment to fund building of a four-lane highway.

BEVERLY A. IVEY, COMPTROLLER
JAMES L. VOLLBRACHT TRUCKING

We are a family owned trucking company that travels Highway 34 routinely, currently operating ten to 15 tractor-trailer units on a daily basis. With us conducting a majority of our business out of a plant in Monmouth, we are constantly using Highway 34 as a means of transportation.

There have been several occasions where it has been difficult in making turns onto the Kirkwood blacktop, traveling east or west, along with making turns onto Highway 34. The bypass around Kirkwood is a difficult one, in the sense that each exit into Kirkwood is on a curve making it impossible to have a clear view upon entering the highway.

Our company conducts business in Burlington as well and a four lane improvement would allow better visualization and better traveling for all involved with highway 34 obviously being one of the highest transportation highways nearby. There have been numerous occasions of vehicles passing our tractor-trailer units, sometimes on hills and even in no passing zones, nearly resulting in accidents. Trying to stop or slow down a loaded unit is a little more complicated then slowing down a car or pickup truck and the results are usually fatal.

A four lane highway would increase our production and decrease our cost, by the fact that with a two lane road there are constant obstacles with vehicles turning along with farm equipment utilizing the highway, slowing down our units costing us more to "get going" again. A blow out or other mechanical problem can be hazardous on a two-lane road as well. A wider shoulder on the four-lane would provide larger vehicles a place to merge onto, and remain until help arrives. This would once again be safer for all involved.

The town of Kirkwood could sure benefit from this as well. Perhaps this would make our town more attractive for businesses and families for an easier commute. For example, a gas station in our town would be very beneficial for the residents as well as commuters on the new Highway 34 expansion.

We are asking you to strongly consider the continuation of the four-lane highway on Highway 34. Hopefully you will find that this improvement will decrease the amount of accidents and fatalities, rebuild our smaller communities, and improve production for our businesses. After all isn't saving one life worth it?

JAMES L. VOLLBRACHT, PRESIDENT
VOLLBRACHT TRUCKING, KIRKWOOD, IL
HENDERSON COUNTY HIGHWAY DEPARTMENT, STRONGHURST, IL

I wish to comment on the importance of the Highway 34 Coalition efforts to the area and to the safety of those traveling the stretch of highway in question.

I believe that we are seeing an increase in the traffic volume, especially trucks, since the bridge at Burlington has been replaced. I find myself waiting longer at intersections with 34 than was the case 12 years ago when I first started work in Henderson County. I also think that there will continue to be an increase in the traffic as Iowa improves their system of roads leading to Burlington. In my travels this past year I found myself frequently on Interstate 80 through Iowa. 1-80 seems to be carrying most of the east-west traffic through Iowa and appears to be reaching its design capacity. There is sufficient traffic on it to warrant drivers to seek alternate routes. One of these alternates will surely be Route 34 as it connects back to 1-74 at Galesburg. When this starts to happen the 22.5 miles of 34 through Henderson and Warren Counties will become the scene of major accidents.

I realize funding for this improvement is not readily available but urge the State to keep the improvement in the current programming. That way should the funds become available work could start on it in a timely manner.

HENDERSON COUNTY HIGHWAY DEPARTMENT
CARL SANDBURG COLLEGE, GALESBURG, IL

Please be assured that Carl Sandburg College strongly supports the efforts of the Highway 34 Coalition to gain DOT funding for the completion of four-lane highway to connect Burlington, Iowa to Monmouth, Illinois. Our College District #518 covers over 3,000 square miles in all or parts of ten counties in west central Illinois. Highway 34 is an integral roadway for our students traveling from Warren and Henderson counties to our main campus in Galesburg. We also have a significant number of students who travel Highway 34 west to Burlington to attend Southeastern Community College through our cooperative agreement with them.

In addition to the importance of this highway to our students, we have many employees who equally depend on that road. From an economic development perspective, we certainly recognize how critical Highway 34 is to commercial and industrial traffic flow between west central Illinois and western Iowa. Please help to ensure that the completion of the Highway 34 four-lane is a priority for State and Federal transportation dollars in the near future. We certainly hope that our legislators recognize the tremendous benefit to this region if the remaining 22 miles of four-lane highway were completed. If our College may be of further assistance in this effort, please advise.

SHERRY L. BERG, DEAN
COMMUNITY & EXTENSION SERVICES
HENDERSON COUNTY BOARD, OQUAWKA, IL.

The economic interest in Henderson County depends largely on what happens in Burlington, IA area. Therefore, having a modern highway through West Central Illinois connecting us to this industrial hub is important.

If you look at a map of Illinois it is easily seen that our area of the State has been put on the back burner for years. We are down to 22.5 miles of highway improvements away from being connected to the interstate highway system with a four-lane road. As you are well aware, having a four-lane connection in this mobile society is a must. The four-lane connection will mean possible growth of our Mississippi River Transportation System.

I hope that you consider our concerns and keep the future plans for Route 34 in the 5-year plan at IDOT.

In closing, I would like to express our appreciation for the improvement made to 34. We certainly appreciate the improved connection we now have to Burlington. But we still need to be connected to the remainder of the country through the interstate systems.

MARION BROWN, CHAIRMAN
CHANDLER TRUCKING/CSR, MONMOUTH, IL

With the end of the year 2000 just around the corner, it is time to refocus our attention on the things that need to be accomplished to further our business endeavors. As a business that has recently taken on a major expansion project, we are very interested in the progress of the four-lane improvement project from Monmouth, Illinois to Burlington Iowa. It is vital to the future of our business that this project be completed as soon as possible.

Once located on the south end of Monmouth, Chandler Trucking moved to the former Munson Transportation building on the north edge of Monmouth in January of 2000. Many conversations with city and county leaders, including Gene Blade of the Partnership for Economic Development, had convinced us that the location just off of Route 34 would be ideal to further our expansion project.

In the summer of 2000, Chandler Salvage and Repair (CSR) was opened as a complete semi truck & trailer repair center, which also offers auto body services. It is imperative that the four-lane expansion of Route 34 to Burlington be completed to route business in to the area where we can benefit from the traffic. This will give truckers the opportunity to have much needed service done between visits to the home terminals, resulting in safer trucks and trailers on the road. Truckers coming out of Iowa will choose to use 34 to gain access to many of the area interstates with a minimum of traffic congestion. It will not only further our business endeavor, but also many of the service stations, retail businesses, motels and restaurants as well.

In relationship to our trucking operation, the completion of the four-lane expansion would be very beneficial, as we take loads out of Columbus Junction, Iowa on

a regular basis. It would also improve safety as there are many areas currently that are non-passing zones. We often hear of collisions due to motorists trying to get around a semi in unsafe areas. The second lane could only improve those statistics.

The four-lane expansion of 34 to Burlington is an eagerly awaited benefit for not only our companies, but also many others. We hope that the Department of Transportation will do everything within its power to hasten to completion of the project. It may be the road that leads us to new prosperity in the next millennium.

JAMES AND BRENDA CHANDLER, OWNERS
WESTERN ILLINOIS ECONOMIC DEVELOPMENT PARTNERSHIP MONMOUTH, IL

The Western Illinois Economic Development Partnership strongly supports the efforts of the Highway 34 Coalition. The 22.5-mile corridor of two-lane road between Burlington, IA and Monmouth,

IL is a critical link for commercial and industrial traffic that has exceeded its original capacity. The improvement to a fourlane transportation system would provide a tremendous benefit to economic development efforts and increased safety measures for residents of western Illinois.

JOLENE WILLIS, EXECUTIVE DIRECTOR
WESTERN ILLINOIS ECONOMIC DEVELOPMENT PARTNERSHIP
MONMOUTH AREA CHAMBER OF COMMERCE, MONMOUTH IL

The Monmouth Area Chamber of Commerce strongly supports the efforts of the Highway 34 Coalition. Improving the stretch of highway between Burlington, IA and Monmouth, IL to a four-lane is vital to the Monmouth area. Specifically, the safety of the current two-lane is a concern, and having a new four lane would assist in the economic development efforts of the Monmouth Area.

ANGELA MCELWEE, EXECUTIVE DIRECTOR
MONMOUTH AREA CHAMBER OF COMMERCE
WARREN COUNTY BOARD, MONMOUTH, IL

This has been a long battle, but with help, one can see the light at the end of the tunnel. The investment of man-hours, planning and money has elevated this project to a "call for the question."

The completion of U.S. Highway 34 from just east of the Mississippi River at Burlington, Iowa to Monmouth, Illinois and a junction with Highway 67 and then 1-74 crossing the Heart of Illinois, is critical to the ever increasing traffic flow and the economic health and development of West Central Illinois.

Logic points to the last leg of U.S. Highway 34 between the "Avenue of the Saints" in Iowa and 1-74 in Illinois! !

The Warren County Board is, and will remain a solid backer of the program started 36 years ago. You may never know how much the persistence and effort of Highway 34 Coalition. is appreciated!

336 COALITION

BILL REICHOW, CHAIRMAN, WARREN COUNTY BOARD,
Canton, Illinois 61520, April 4, 2003

Chairman JAMES INHOFE,
Senate Committee on Environment And Public Works.

DEAR MR. CHAIRMAN: We are excited to provide you and your committee information on the 336 Coalition and its mission to assist the Illinois Department of Transportation in the building of a four lane highway connecting Peoria, IL, to Macomb, IL, running through Fulton County.

Enclosed you will find information pertaining to many of the issues we feel you will find of importance as you consider this vital project's place of importance in the upcoming TEA-3 Federal bill under consideration.

Again, thank you for this opportunity. We stand ready to answer any questions or provide any additional information you may need.

Sincerely,

MARK W. JOHANN, *President*

OUR REQUEST

The 336 Coalition is urging support for inclusion of demonstration funds in the upcoming TEA-3 Federal Transportation Bill. The Illinois Department of Transportation has estimated that their continued funding needs to enter Phase II of this project will be \$14.4 million.

These funds would allow progress on a four lane highway linking Peoria, IL, to Macomb, IL, to proceed to Phase II of the project. This highway will be a continuation of Rt. 336, which is currently fully funded and under construction from Quincy, IL, to Macomb, IL.

The Need for the Highway

The overwhelming need in Fulton County is for modern 4-lane highway access to, amongst many other things, spur economic growth and stave off general economic decline. Currently, Fulton County's unemployment rate stands at 11.6 percent, second highest in the State. For the past 20 years, Fulton County has been at the top of the State's unemployment charts. The area was hit hard when International Harvester closed its Canton production facility and when the coal mining business in Illinois went virtually out of business.

Enclosed you will find an Analysis of the Presence of Four Lane Highways and Unemployment Rates for thirty (30) of the largest counties in Illinois. It reveals the following:

- By land area, Fulton County is the 10th largest county in the State of Illinois. Of the 17 (17) largest counties in the State, Fulton County is the only county without any 4-lane highways within its borders.
- Since 1980, Fulton County's unemployment rate has not recovered. It is nearly double the State and national average and currently continues to be the highest amongst the 30 Counties listed in the analysis. As of February 2003, the unemployment rate hovered at 11.6 percent second highest for all counties in Illinois.
- Of the 30 largest counties in the State of Illinois (by land size), only three (3) do not have any 4-lane highways running within their borders. Fulton County has the largest population of the three.
- Of the twenty-seven (27) largest Counties (by land size) having a 4-lane highway running within their borders, seven (7) of those counties have a lesser population than does Fulton County.

Please reference enclosed analysis (data as of April 2002).

Estimated Costs

Phase I of the Peoria to Macomb portion of Illinois 336 is fully funded at a cost of \$12.5 million. Those funds were made available by way of the Illinois First program.

Officially, the Illinois Department of Transportation is projecting the ultimate cost to be in the range of \$800 million. IDOT's projection contemplates the effects of inflation and the uncertainty of the time of completion.

An excerpt from the 336 Coalition's website State that the cost for completion of Phase II and Phase III could ranged from \$250 million to \$400 million with that range anticipating completion within the next ten (10) to 15 (15) years.

Timetable

It has been said that it can take as long as 20 (20) years or more to build a four-lane highway. Some argue that it has already taken nearly thirty (30) years for this highway dating back to an original plan that was a component of the Chicago to Kansas City Highway.

Given the depressed economic conditions that exist in the Fulton County area of Illinois, it is essential to the future of this area that this project moves forward as quickly as possible.

Going forward, the timetable will very much depend on having the remaining funding available as DOT proceeds through each of the three phases. If funding is available, it could—take as few as 10 years to see the highway completed. Portions of the highway could be opened to traffic as various segments are completed.

Current Status

In late 2002, the Illinois Department of Transportation awarded contracts to URS Consultants to assist in the formation of Phase I planning. Those efforts are currently underway with focus groups and fieldwork in process. IDOT anticipates being able to define a preferred corridor for the segment running from Peoria to Macomb by the spring of 2004. The alignment portion of Phase one will commence immediate thereafter and it too is also fully funded.

Proposed Route

Enclosed you will find a map provided by the Transportation Task Force of the Tri-State Commission. The Tri-State Commission represents interests in portions of South-Eastern Iowa, North-Eastern Missouri, and West-Central Illinois.

The map identifies the potential corridors for the highway from Peoria to Macomb as a "Priority Corridor". It is represented on the map with red hash marks.

The importance of this highway is evident on its own merits. When viewed in conjunction with highway projects that could develop in the greater Peoria area (providing improved connections to the greater Chicago metropolitan area of Illinois) it becomes even more essential to all of Illinois.

The 336 Coalition-Background

The 336 Coalition is a group of concerned citizens, businesses, government officials, and communities focused on the construction of a four-lane highway running from Peoria to Macomb.

This highway project will be a continuation of a new four-lane highway currently under construction (with 20+ miles open for use) connecting Quincy, IL, to Macomb, IL. Ultimately, it will become part of a system that will provide economic development opportunities along its path as well as providing the means to open West-Central Illinois to Central and Eastern Illinois. This project will also provide additional commerce from Chicago to Kansas City. In fact, over thirty (30) years ago, this portion of highway was a component of the original Chicago to Kansas City highway.

The 336 Coalition started its efforts in late 1998 and evolved out of a community mapping effort that identified the lack of adequate four lane surface transportation as the most critical need to bring growth to the West Central Illinois area. The lack of a modern four-lane highway was also viewed as the greatest cause of stagnant to declining populations and economies in many of the area's communities and for the highest unemployment rates in the State of Illinois. The Coalition later discovered strong support in the Peoria, Macomb, and Quincy for the benefits Highway 336 could bring to those areas of Illinois. The Greater Peoria Airport would also be a benefactor of our efforts.

The 336 Coalition has grown to include members from most, if not all, of the communities between Peoria and Macomb. There are over 40 resolutions of support from various city and county governments in addition to other important organizations such as the Fulton County Farm Bureau.

The semi-annual 336 Update is a newsletter that currently has a mailing and e-mail list of over 4,000 subscribers. You can find current and past issues of the 336 Update via the link on this site.

The name of the Coalition was christened from Illinois 336 that is under construction (and fully funded) connecting Quincy and Macomb. Portions are currently open to traffic with the remainder scheduled to be completed by 2006. Illinois 336 would be the logical extension running from Macomb to Peoria and is, in fact, referenced as such by the Illinois Department of Transportation.

ADDITIONAL INFORMATION

Additional information is available via the 336 Coalition's website: www.336coalition.com

Or by contacting: Mark W. Johann President, 336 Coalition, P.O. Box 761, Canton, IL 61520

PROJECT 29

DOUGLAS SCHNELL, PRESIDENT,
Taylorville, IL 62568-2113, April 2, 2003.

Senator JAMES INHOFE, *Chairman,*
Committee on Environment and Public Works

DEAR CHAIRMAN INHOFE: Project 29 Inc. was founded in January 1993 after a fatal auto accident in December 1992 that took the life of 29-year-old Melody Traughber of Taylorville, Illinois. Melody's name was added to the list of persons killed on this outdated two-lane roadway. Today the list now tops over 33 victims from Rochester to Pana. The lists of personal injury accidents are into the hundreds.

Melody's friends and family decided that the goal of this grassroots organization would be to work to bring a four lane Illinois Route 29 to Sangamon and Christian County. Having four-lane highway from Rochester to Pana to improve safety and promote economic development not only to Sangamon and Christian Counties, but all of Central Illinois.

In 1993 Project 29 Inc. Presented 12,000 names to Governor Jim Edgar who started feasibility study for four lanes from Rochester to Taylorville.

During 1997 the State announced that no money was included in the budget for Illinois Route 29. With the assistance of Congressman John Shimkus in April of that year 1.7 million dollars, Federal funds was obtained, this was the first time Federal money had been obtained for the Illinois Route 29 Project. This 1.7 million dollars was used to complete the engineering study.

During Governor's election in April 1998 copies of information was sent to The Governor Candidates. George Ryan's campaign responded, naming IL Route 29 as one of the top downstate road projects, if elected.

George Ryan was elected and followed through with his promise, with Illinois First some 39 million dollars are set for construction between Rochester and Taylorville.

As noted in a June 16, 2000 letter from Illinois Secretary of Transportation Kirk Brown 6.7 miles remain unfunded.

This section is 6.7 miles long from 2.1 miles north of the Christian County Line to approximately 1.1 miles south of Edinburg. Estimated cost in 2000 was 25.2 million dollars.

During April 2002 current Governor Rod Blagojevich was mailed petitions signed by over 10,000 people who support IL Route 29. Enclosed you will find a letter of support from Governor Blagojevich.

In February of 2003 Congressman John Shimkus announced that 1.2 million dollars in additional Federal money had been obtained to assist with engineering on the remaining 6.3 miles that remain unfunded.

Today we ask that your committee consider the 25.2 million dollars needed to fund the remaining 6.3 miles of improvements.

It is estimated that up to 17,000 motorists travel Illinois Route 29 daily between Springfield and Taylorville. To leave a 6.3-mile section in the middle unfunded will take traffic from four-lane back to two and returning back to four.

It is our contention that this will elevate the danger of additional personal injury and fatal auto accidents. We also believe that business and development look at the quality of the transportation system and having a completed four lane highway will not only improve economic development, it will also improve the quality of life for all in a multi county area of Central Illinois.

The following pages you will find a listing of the names of the persons killed on what the media refers too as Central Illinois "most dangerous highway", letters of support from current and former officials, news reports, including resolutions from local Governments

We ask that your committee review this request, and give consideration to make construction of Illinois Route 29 From Rochester to Taylorville 100 percent complete.

Sincerely,

DOUGLAS SCHNELL, *President*.

ILLINOIS DEPARTMENT OF TRANSPORTATION,

OFFICE OF THE SECRETARY,
Springfield, IL 62764, June 16, 2000.

Mr. DOUG SCHNELL, *President*
Elect Project 29, Inc.,
P.O. Box 6103,
Taylorville, Illinois 62568-6103.

DEAR MR. SCHNELL: Thank you for your May 23, 2000 letter regarding funding for Illinois 29 from Governor George H. Ryan's Illinois FIRST program. We are pleased that Illinois FIRST gives the department the ability to begin construction of two important sections of Illinois 29 between Rochester and Taylorville. Construction projects and associated work totaling \$39 million are programmed to complete 9.6 miles of new four-lane pavement on the total distance of 16.3 miles.

This work includes new four-lane construction for 5.1 miles from Rochester to 2.1 miles north of the Christian County line that is programmed during fiscal year 2001-2005 at a total cost of \$20.1 million. Of this total, engineering for contract plans is programmed in fiscal year 2001 at a cost of \$1.4 million.

In addition, new four-lane construction for 4.5 miles from approximately 1.1 miles south of Edinburg to 1.5 miles north of Illinois 104 at Taylorville is programmed during fiscal year 2001-2005 at a cost of \$18.9 million. ' Of this total, engineering for contract plans is programmed in fiscal year 2001 at a cost of \$1.6 million.

You specifically inquired about the remaining section that is currently unfunded. This section is 6.7 miles long from 2.1 miles north of the Christian County line to approximately 1.1 miles south of Edinburg. Construction, engineering for contract plans, land acquisition, utilities, and an archaeological survey for this section are unfunded at an estimated cost of \$25.2 million.

We appreciate your support and interest in this highway project.

Sincerely,

KIRK BROWN, *Secretary*.

STATEMENT ON THE BROOKFIELD ZOO

Thank you, Senator Fitzgerald, for the opportunity to submit this testimony regarding surface transportation needs at Brookfield Zoo, located in Brookfield, Illinois. As you know, the Zoo is renowned for its conservation and education programs, with annual attendance consistently topping 2 million visitors, including nearly 225,000 school children. The Zoo continues to rank as the most popular paid cultural attraction in the State of Illinois. In order to maintain the prestige of being one of the world's great zoos, Brookfield Zoo must address its public safety concerns, traffic congestion and parking issues.

Over the past several years, Zoo visitor polls—and feedback from neighboring communities—have indicated increasing dissatisfaction with traffic congestion and major delays on the public roads immediately adjacent to the Zoo, as well as insufficient or inadequate parking facilities on Zoo grounds. On an average day, 30,000 vehicles pass the Zoo's main entrance at First Avenue and 31st Street; more than 5,500 of these are trucks. On high attendance days, Zoo visitors' cars have backed up more than 2.5 miles on First Avenue, down to the Eisenhower Expressway, and through neighboring residential streets to get into the Zoo. Inside the Zoo, limited parking—particularly on weekends—further exacerbates the traffic congestion outside and contributes to noise and air pollution.

It thus comes as no surprise that there is a high incidence of vehicular accidents at major intersections near the Zoo. Over the past 5 years, the North Riverside and Riverside police departments reported 210 accidents, at 31st Street and First Avenue, 103 accidents at First Avenue and Golfview Road, 44 accidents at 31st Street and Golfview Road, and 42 accidents at First Avenue and Ridgewood.

To remedy these access and public safety problems, the Zoo has consulted with the Illinois Department of Transportation, the Village of Brookfield and other local stakeholders on mutually advantageous roadway and parking improvements and is seeking Federal and State funding to implement them. Specifically, the Zoo is seeking \$11,072,000 for improvements to its main entrance and parking lots. These would include widening pavement and construction of an enhanced main car entrance, pavement of Zoo property for new spaces for cars, and re-pavement of the existing rutted "chip and seal" and gravel parking facilities. The Zoo is also proposing \$3,502,000 in public safety improvements to 31st Street, First Avenue (a State road) and Forest Road. Chief among these are the installation of much-needed measures such as new traffic signals and a pedestrian bridge over First Avenue to be used by students at neighboring Riverside Brookfield High School and local residents.

Brookfield Zoo respectfully requests \$7 million in the upcoming transportation bill to address these transportation, public safety and access improvements, which total \$14,574,000. The Zoo will seek the balance of the funds from the Illinois Department of Transportation.

Thank you again Senator, for your support of Brookfield Zoo. We know that we are very fortunate to have you as our friend and advocate in Washington.

CITY OF LITCHFIELD, ILLINOIS

JOHN L. DUNKIRK, JR., MAYOR,
April 15, 2003.

Hon. JAMES INHOFE, *Chairman*
Committee on Environment and Public Works
U.S. Senate

DEAR SENATOR INHOFE: The City of Litchfield has presented a request through the office of Senator Peter Fitzgerald of Illinois for financial assistance for a roadway grade separation project. It is understood that the committee is accepting testimony about projects subsequent to the April 7, 2003 Transportation Hearing.

Enclosed is a project summary titled "Construction of a Grade Separation Structure" for review by the committee.

Please accept our sincere thank you for any consideration given to this project. City officials fully support this project and view the grade separation project as a critical need to sustain economic vitality.

Sincerely,

JOHN L. DUNKIRK, JR., *Mayor*.

CONSTRUCTION OF A NEW GRADE SEPARATION STRUCTURE, LITCHFIELD, ILLINOIS

History

The community of Litchfield Illinois has a long history of commercial and industrial stability, even at a time when other small rural towns were experiencing a decline. The genesis of Litchfield's rich history can be attributed to being a crossroads for various railroads. At one time, the town could claim service from six different railroads. As highway systems developed as a favorite mode of transportation, Litchfield's location on Route 66 continued to add to the town's success. With the advent of the Interstate highway system, again Litchfield remained a survivor having a location along 1-55. Today it is a commercial and employment hub of a multi-county area and is the largest town between Springfield, Illinois and the St. Louis metropolitan area.

Litchfield has been fortunate in having a progressive, forward-thinking leadership that has viewed jobs as the greatest wealth in the community. Jobs contribute to an increased tax base within the community, which in turn provides the revenue for City supported services, contributes to continued development, and sets the standard for the quality of life of the residents.

Project Description

The project is to construct a new grade separation structure (underpass or overpass) on Ferdon Street in Litchfield. The new structure will result in uninterrupted automobile traffic flow at the two railroad crossings for the Norfolk Southern Railroad and Burlington Northern, Santa Fe Railroad.

Presently every railroad crossing in Litchfield is an at grade crossing and automobile traffic flow is interrupted by rail traffic. The City has long had a great need for a grade separation structure. This is the preferred location for the proposed project as it would have the least disruptive impact to existing businesses and property owners upon completion of the project. Presently, Ferdon Street is the only east west major street on the north side of the town that is a through street to the west side highway system and commercial district. A grade separation structure will provide an uninterrupted traffic connection between the east and west sides of the City of Litchfield.

Ferdon Street is an urban collector street, 36 feet in width, and has sidewalk, curb and gutter. The distance between the two parallel railroad lines is approximately 300 feet along Ferdon Street. To separate the grade of the street from the grade of the existing railroads will require that the roadway pass over or under the railroads. An overpass would be a single long bridge over the two rail lines. Alternatively, Ferdon Street can be lowered and two railroad bridges constructed over Ferdon Street to create an underpass. Under both alternatives retaining walls will be required to minimize the impacts to adjacent properties.

The improvement would result in road modifications for a length of 2000 feet or less. The preliminary project cost is approximately \$6,000,000 with no significant cost difference between the two alternatives. The improvement would include two bridges, retaining walls, drainage structures, utility adjustments and approach road modifications.

Project Need

Not unlike other small towns, Litchfield struggles to maintain the status quo while still planning for future growth. Much of the commercial and industrial growth has occurred on the west side of the City. Healthcare services, long-term care facilities and the largest employer in the City and County are located on the east side of town. Dissecting the town between east and west are the City's two remaining national rail carriers, Norfolk Southern Railway, and Burlington Northern Santa Fe Railroad. The tracks run parallel in a north-south direction the entire distance across town, with less than 300 feet separating the rail right-of-ways. Dividing the town between north and south is Illinois State Route 16 which is a major east west highway that transports many workers, travelers, shoppers and residents through the community. The Illinois Department of Transportation places approxi-

mately 17,000 vehicles per day on Route 16 at the intersection with the railroad lines. More than 60 percent of—the City's population resides north of Route 16, with Ferdon Street being the only through street to the west side serving the north side of town. Presently there is no grade separation structure across the two railroads in or near the City of Litchfield—On the north side of the City, all railroad crossings have been closed except for the crossings at Ferdon Street.

While the number of rail carriers has diminished, the two remaining carriers are strong and have a substantial number of trains running through town on a daily basis, numbering in the dozens. In their efforts to provide a more cost effective service to their customers, they have increased the length of trains, and by today's standards most freight trains have in excess of 100 cars and are greater than one mile in length. Some trains reach 150 cars in length.

While the City views the existence of these two rail lines as an asset and economic resource to the community, it presents an ongoing problem of disruption of traffic flow which causes emergency services concerns and a critical delay factor in the movement of people in either direction when crossings are frequently blocked due to trains. Contributing to the problem is the fact that the two lines cross at a point just south of the City limits. One train must yield to the other at the diamond. The waiting train has an increased delay time in clearing the crossings once they start from a stopped position and they travel at a slower speed. Additionally, as soon as one train passes, the waiting train begins to move, creating back-to-back crossing closings. At times the closings exceed the length of time allowed by the ICC to have traffic blocked. This is affected by slow orders, track maintenance, mechanical failures, switching and other unforeseen causes.

Economic Benefits

The City's west side property along Route 66 was once a thriving business district. There are still remnants of some of those businesses while other property has deteriorated after Route 66 was abandoned in favor of 1-55. New growth is now underway in Litchfield with a major commercial development along 1-55 in the north side of town, including the construction of a primary roadway through the development (an extension of Ferdon Street), linking Route 66 with the 1-55 interchange and the newly constructed entrance to the Litchfield Industrial PIE. There has been additional new commercial development along Route 66 on the north side of town which appears to be closing the gap which occurred after Route 66 was abandoned as a national highway. Route 66 does still provide entrance into the community from the north and south for local traffic from commuter residents, rural dwellers, residents of surrounding communities, and Route 66 tourists.

Although there appears to be potential for growth, a major deterrent to revitalization of this area is poor access from within the community due to limited arterial streets, with Ferdon Street being the only direct east-west route. There are a number of underutilized vacant properties in the area that would be suitable for a variety of business operations both commercial and light industrial. Better access could be the catalyst to future growth in the area. A grade separation structure would allow for some of the traffic from Route 16 (which has 17,000 vehicles per day) to be diverted to Ferdon Street. This increased traffic flow could generate interest in the underutilized sites for businesses that depend on high visibility as well as those that need easy access.

The City of Litchfield had contributed significant investment over the years, with assistance from State and Federal programs, to providing jobs for residents of Litchfield, Montgomery County and adjacent counties. The delay factor involved with the length of time spent by people sitting in their vehicles waiting for trains to pass has a significant lost time value. This erodes the return on the investment. Employees who are late for work decrease productivity and impact the profitability of the employer, transporters of goods and services lose revenue while not moving, shoppers with limited time to make purchases, are forced to shop in less time which could result in less purchased goods and services, travelers that might plan to stop and eat and shop might in turn pass through a fast food restaurant and eat on the road which results in less sales tax revenue to the City. The stress factor is detrimental to one's health as one tries to make up the lost time. The value of the delay factor is significant and unending. An underpass could provide a direct route to the commercial district and industrial park and connect with the 1-55 interchange thereby decreasing or eliminating the delay factor.

Additional Benefits

Part of the City's planning effort has been directed toward improving and increasing the housing stock in the community in an attempt to increase the tax base. As many as 70 percent of the jobs available in Litchfield are held by persons living out-

side the City's zip code. This is partly due to lack of new housing developments within the community until just recently. While much of the commercial growth has been on the west side, the northeast part of town has been identified as the most desirable location for new subdivisions. Two new subdivisions have been developed in the past 2 years offering more than 90 new home sites, as well as a U unit condominium development, and a proposed 40 unit low income single family rental home project. The City has, recently installed a water main extension/loop with adequate water to supply additional housing development in the area. There are interested investors that are presently looking at sites for residential subdivisions. There have been a number of new housing starts outside the corporate limits in a northeasterly direction toward our well-known Lake Lou Yaeger. Many of these homeowners are commuters that require access to I-55. Litchfield's attractive; location within an hour drive to either Springfield or St. Louis has attracted many commuter families. A railroad underpass could provide easier access and foster the development of additional residential areas. This will increase the tax base and the population base, which will enhance the opportunity for additional economic development as the need for services rises.

As the population base increases, so does the enrollment in the school system. The Litchfield Community School District is presently not at full capacity. Additional students can be accommodated without increasing the facility size. With the financial struggles and budget deficits facing school districts each and every student added will have a positive financial impact on the system. Litchfield takes pride in having the reputation of a school system that is "Quality to the Core". In order to maintain this reputation, the district needs to maximize their capacity.

The quality of education provided by a school system is a major factor in the site selection process of business and industry that are looking to relocate. Litchfield strives to meet all of the expectations of the site consultants in an effort to attract new business and create additional jobs! Housing and education needs are critical issues that must be met. Litchfield must have, adequate transportation flow in order to continue to move forward in meeting those needs.

The availability of emergency and medical services has always been a major concern knowing that parts of the community are cutoff during the closing of crossing by trains. Many of the accidents are on the west side of the tracks while the medical and emergency care facilities are on the east side of the tracks. This poses an additional problem when many surrounding communities rely on access to our hospital for medical emergencies.

The addition of a grade separation structure in Litchfield would provide increased safety to the railways and to the traveling public by eliminating two at-grade crossings where accidents can occur. This would also provide a safer crossing for school buses in the community.

Although Litchfield is the economic hub of the region, much of the traffic on Route 16 is from people not just coming to Litchfield to live, work, shop and play. They pass through Litchfield en route to other towns via Route 16. Hillsboro, the Montgomery County seat is located 9 miles east of Litchfield on Route 16 and from I-55, Litchfield is the gateway to many eastern Illinois communities. The proposed underpass project can provide a bridge to link not only east, west, north and south Litchfield, but it can link south central Illinois. Our future depends on this bridge.

MEMORIAL HOSPITAL OF CARBONDALE

Carbondale, Illinois, April 1, 2003.

Senator JAMES INHOFE,
U.S. Senate,
Senate Office Building,
Washington, DC 20510.

DEAR SENATOR INHOFE: Once upon a time waterways determined the economics of our country. They were replaced by railroads. Large airports have had a similar economic impact on communities and regions. But, the largest factors, today, are probably the highways and the interstate transportation systems.

Southern Illinois and Carbondale are isolated and economically depressed. The highway project, involving highway 4 and 127, under the renewal of a land transportation act, would have the ability of jump-starting this area economically. It used to be if you economically advantaged one portion of our country you negatively impacted another part of our country. Those days are long gone. World trade and the birth of economies around the world create growth opportunities without negative impacts on other parts of this country. Southern Illinois needs to be jump-started.

Spending money on a project of this nature to create the economic opportunities for southern Illinois is similar to providing young people with scholarships for college. They return to the Federal Government is many times more in the taxes they pay because of that college education than if they did not possess a college degree. The same would be true here, the economic return to the Federal treasury will be many times the cost of this highway project because of the economic development that this type of project will bring to all of southern Illinois.

Sincerely,

GEORGE MARONEY, *Administrator.*

CARBONDALE CHAMBER OF COMMERCE

Carbondale, Illinois 62901, April 3, 2003.

Senator JAMES INHOFE,
U.S. Senate,
Senate Office Building,
Washington, DC 20510.

DEAR SENATOR INHOFE: As Executive Director of the Carbondale Chamber of Commerce, I am a member of the 4-127 Coalition. The 4-127 project is the expansion of the current 2-lane highway to 4-lane from west of Murphysboro, IL to eight miles north of Pinckneyville, IL. The projected cost of the project is \$80 million.

The expansion of Route 127 to a four-lane highway is important to the economic development of southern Illinois. It will offer Carbondale and regional communities a trade corridor to St. Louis and beyond. The 4-127 project is necessary to efficiently move goods and services to and from southern Illinois. In addition, the project will provide easier access to tourist sites and events throughout southern Illinois.

It is for these reasons that I respectfully ask for your support of this important legislation.

Sincerely,

SARA BERKBIGLER, *Executive Director.*

ILLINOIS HOUSE OF REPRESENTATIVES

HON. CHAPIN ROSE,
STATE REPRESENTATIVE, 110TH DISTRICT,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

RE: Village of Mahomet Capital Improvement Project

DEAR SENATOR INHOFE: I would like to request your most favorable consideration for the Village of Mahomet who is seeking Federal transportation system funding for capital improvements projects.

This Village in my district is at a very high level of growth and is in desperate need of assistance to help them with the challenges they are facing. There is an urgent need for repairs and improvements to their streets, bridges, sanitary sewers, water mains and the wastewater treatment plant.

Thank you in advance; for any assistance you can help in attaining for the Village of Mahomet. If I can ever be of assistance to you, please do not hesitate to call.

Sincerely,

CHAPIN ROSE, *State Representative.*

JACKSON COUNTY BUSINESS DEVELOPMENT CORPORATION

April 2, 2003.

Senator JAMES INHOFE,
U.S. Senate,
Senate Office Building,
Washington, DC. 20510.

DEAR SENATOR INHOFE: I currently serve as the Executive Director of the Jackson County Business Development Corporation. Jackson County is located in the south-

ern portion of Illinois, and consistently lags behind central and northern Illinois in terms of economic development and job opportunities. One of the major factors contributing to this problem is the lack of a modern highway system connecting our area to the greater St. Louis region. The proposed expansion of Illinois Route 127 between Murphysboro and Pinckneyville, Illinois, and eventually to Interstate 64, will give us access to a major mid-west market place, which will immediately translate into economic development and increased job opportunities.

Our organization is fully committed to the completion of this project. A study just completed by the Illinois Department of Transportation has estimated the cost of phase I of the project to be \$80 million. Congressman Jerry Costello has requested funds be appropriated for this project in the renewal of the Land Transportation Act. We ask that the request be given serious consideration by the Environmental and Public Works Committee.

If approved, we're confident the appropriation will be an excellent investment with the resultant increased tax revenues created by the increased development activities.

Thank you for your consideration.

Sincerely,

LEE ROY BRANDON, *Executive Director.*

JACKSON COUNTY BUSINESS DEVELOPMENT CORPORATION

VILLAGE OF CATLIN, IL,
April 1, 2003,

Senator JAMES INHOFE, *Chairman*

DEAR SENATOR INHOFE: Please consider this request for Federal funds for the Webster Street bridge project in Catlin, Illinois. The Webster Street Bridge is a narrow bridge with two narrow descending approaches across Butler Branch Creek. The Village of Catlin is growing along a corridor north of the Webster Street Bridge. Two new subdivisions are currently under construction along this corridor. The Village has spent a great deal of money extending water and sewer mains north along this corridor to foster such growth.

Future growth is expected since the Village buried the mains deep enough to extend another 2000 feet north. This bridge is a vital link between the new subdivisions and the Village proper. The new homes will be built by families which will generate more bicycle, pedestrian and vehicular traffic which makes the safety issue all the more important. Webster Street is also an avenue to Danville, Illinois, where many residents work. As changes take place in Tilton, Illinois and the Danville WO works on a beltway around the Danville Urban Area, Webster Street and the bridge will be a vital link between Catlin, as well as other outlying communities, and Danville. The construction of a new bridge will not only improve traffic flow and safety but will also improve the channel flow of the creek, improve surface water drainage and prevent erosion.

The engineer's estimate for the bridge is \$468,000. State Representative Bill Black has sent me an application for a bond grant for \$170,000 and County Engineer, Bob Andrews, upon approval of the County Board, will pay one half the cost of the actual bridge. Therefore, the County contribution will be \$75,000 and the Village of Catlin will contribute \$50,000. This totals \$295,000 leaving \$173,000 needed to complete the project.

If your committee could match the State contribution of \$170,000, this project can be accomplished. Please consider this an official request from the Village of Catlin, Illinois for \$170,000 to complete the Webster Street Bridge Project.

Respectfully submitted,

FRED RINEHART, *Mayor,*
Village of Catlin, IL.

SOUTHERN ILLINOIS UNIVERSITY

April 1, 2003.

Senator JAMES INHOFE,
*U.S. Senate,
 Senate Office Building,
 Washington, DC 20510.*

DEAR SENATOR INHOFE: This letter is written in support of the 4-127 project that will upgrade Illinois Route 13/127 from two to four lanes between Murphysboro and Pinckneyville. This highway improvement project has my full support. The expansion to four lanes, which will permit easier access to St. Louis, will reap extraordinary benefits for the citizens of southern Illinois.

The project will especially benefit Southern Illinois University. One of the University's campuses is located in Edwardsville. The expansion from two to four lanes will ease the burden of travel between Carbondale and Edwardsville. Additionally, major air travel for university staff and visitors is scheduled out of Lambert International Airport in St. Louis. The expansion of this highway will make travel more accessible.

This highway project will also provide the means for other businesses located the region to transport goods in a more timely and efficient manner. Our geographic location impedes economic development due to the distance between southern Illinois and major airports. The highway improvement project will greatly benefit southern Illinois in this regard by providing easier access to Lambert in St. Louis and surrounding areas.

The importance of this project is immeasurable to southern Illinois. I urge your positive consideration of this project.

Sincerely,

JAMES E. WALKER, *President.*

 THE ILLINOIS HIGHWAY 30 COALITION
April 4, 2003.

TO: Senator James M. Inhofe, Chairman
 U.S. Senate Environment and Public Works
 FROM: The Illinois Highway 30 Coalition (Whiteside County, Illinois)
 RE: U.S. Highway 30 Four-lane Expansion Project Ladies and Gentlemen,

The Illinois Highway 30 Coalition, which represents communities in Whiteside County, and surrounding Northwest Illinois appreciates the opportunity to have our project position statement formally recognized and placed on file, as part of the committee field hearing held in Chicago, Illinois on April 7, 2003. We especially want to thank IL Senator Peter Fitzgerald for encouraging us to participate in the hearing.

U.S. Highway 30 was America's first coast-to-coast highway and was a great improvement at the time for early 20th century transcontinental motorists. Our proposed project, to create a four-lane U.S. Highway 30 route from Rock Falls to Fulton, Illinois adds an additional segment of improved transportation. Combined with scheduled or anticipated improvements in other States that are served by this route, four-lane expansion enhances the status of Highway 30 as a 21st century cross-country highway.

Regionally, this 19.5-mile corridor would serve communities in and along the route through Whiteside County. The new four-lane would also be a benefit to over 30 neighboring communities in counties to the east, west, north and south. Development of this route would expedite travel and distribution of goods and services within and connected to the corridor of Northwest Illinois and Eastern Iowa.

Highway 30 has reached design limits set by the Illinois Department of Transportation in its present two-lane configuration. An initial Illinois Department of Transportation corridor study done in 1970 showed at that time, the need for a four-lane Highway 30. Unfortunately, because of funding restraints, the project went no farther. Since that 1970 study, our region has been in a slow economic decline, with highway transportation constraints playing a major factor.

Today, as community leaders, economic development professionals, along with the support of key business stakeholders work on regional economic revitalization issues, it is glaringly clear that our section of highway, in its congested and unsafe condition, cannot provide the necessary transportation route to support planned and anticipated growth in this region. The Whiteside County area is intended to be the

final link in a four-lane configuration connecting Interstate 88 in Illinois with Interstate 35 in Central Iowa.

Estimated cost of the project as recently calculated by the Illinois Department of Transportation covering Phase I—III Engineering, Land Acquisition and Construction is \$130.5 million. In 2002 Illinois Senator Dick Durbin secured \$750,000 through the Federal Transportation Appropriations Act (P.L. 107-67) under the project name: U.S. 30 Morrison/Whiteside County Expansion. This money has been designated to a corridor study, in conjunction with the Illinois Department of Transportation. The corridor study will officially begin sometime the first half of this calendar year.

Congressman Don Manzullo (IL-16th) and Congressman Lane Evans (IL-17th) have also recently submitted transportation project evaluation criteria to the Subcommittee on Transportation and Infrastructure, seeking additional funding for the project through the reauthorization of TEA-21. Speaker of the House Dennis Hastert (IL-14th) is also supporting the project.

Project Benefits

Economic—Supports present, planned and proposed increases in local and regional economic development by creating an improved route that will assist Northwest Illinois in attracting new business and industry through the safe, efficient and effective transfer of goods and services.

Provides infrastructure improvements to support retention of existing business and industry. Offers an important arterial link that improves efficiency of commuter travel. Creates a direct, cost effective link to and from geographic markets easterly toward the Chicago metro area, as well as to Des Moines, Iowa and Kansas City, Kansas to the west.

Environment—Improves the negative impact on increasing levels of noise and air pollution created by high traffic counts and commercial truck traffic through residential areas. Promotes preservation of historic character and structures along the route, creating opportunities for related economic development and increased quality of life.

Congestion and Safety—Provides congestion relief on the highway that is the main mover of goods, services and people to, from, within and through Whiteside County, east to Chicago and west to Des Moines, Iowa and Kansas City, Kansas. Upgrades Highway 30 to meet Illinois Department of Transportation guidelines for vehicle congestion, that show it has exceeded design limits for a two-lane arterial route. Makes the route safe for Northwest Illinois residents and travelers. Increases the ability of emergency services to respond, “in-time” and safely, as well as maintain a higher level of security throughout the county. Reduces the safety issues caused by the use of this congested Highway by school buses and farm machinery. The Highway 30 four-lane expansion could help reduce the car and heavy truck traffic congestion seen today on Interstate 80.

Approved funding support through the reauthorization of TEA-21 at the levels requested and any other Federal funding support would enable the project schedule to be accelerated and completed within the next six to 8 years.

Thank you for your time and consideration of this project.

51 COALITION

April 3, 2003.

Senator James Inhofe, *Chairman,*
Committee on Environment and Public Works

HON. CHAIRMAN INHOFE: We write on behalf of the Route 51 Coalition to urge you to include funding in the TEA-3 Program to complete the improvement of Route 51 from Decatur, Illinois south to Centralia, Illinois. For many years, concerned Illinois residents and community leaders from municipalities located along this corridor have worked to secure funding to improve this transportation facility to a four-lane system for economic development, connectivity, and safety of the motoring public. In order for you to further understand the reasons why we believe this improvement is needed, we present the following information.

Description and Costs of Project

Route 51 is currently a two-lane highway from Moweaqua, a community 14 miles north of Pana to Centralia, a distance of 75 miles. It would provide a major economic benefit to the citizens of Central Illinois to upgrade this section of highway to a four-lane expressway section, and the following tasks and total project costs have been identified:

1. Phase 1 Engineering Study needs: An estimated \$ 29.9 Million is needed to study 57 miles of this section from 1-70 to Centralia.
2. Phase 2 Engineering Design needs: An estimated \$ 54.6 Million is needed to design 64 miles of roadway from 3 miles north of Pana to Centralia.
3. Phase 3 Construction needs: An estimated \$ 477 Million is needed to construct this 75-mile section of roadway from 14 miles north of Pana to Centralia.
4. Additional Costs for expressway:
 - Land Acquisition \$ 23 Million (75 miles)
 - Utilities \$ 12 Million (75 miles)
 - Archeological Survey \$ 0.1 Million (75 miles)
 - \$ 35.1 Million (75 miles)
 - Total project costs \$ 597 Million (75 miles)

Benefits

Upgrading this section to a four-lane expressway will produce significant benefits for Central Illinois. These are:

- Safer travel for this 75-mile section. Approximately 600 accidents have occurred on this section for a study period of 4 years, with injuries occurring in 200 cases and 4 fatalities as a result of these accidents. An expressway would significantly reduce the number of accidents.
- Economic opportunities for the communities in this area would significantly increase as a result of the construction of a four-lane expressway. This is evident from the review of significant economic growth in communities between Bloomington and Decatur in Central Illinois where a four lane-expressway has already been constructed. The regional mall in Decatur-Forsyth has expanded along with the addition of five motels and six restaurants in recent years. This has contributed to more than 300 new jobs. The City of Maroa has a new school and commercial expansion. More than 20 new businesses have developed or expanded along the Route 51 Corridor west of the City of Clinton as well as an expansion of a regional sanitary landfill, a new church, and a new subdivision. These new or expanded facilities have added more than 200 jobs to the area. The Village of Heyworth has experienced growth in commercial facilities and development of residential subdivisions from the improved highway access north to Bloomington Normal.
- An improved transportation system would create similar economic opportunities for the counties in this area and for Central Illinois. The agricultural markets would benefit through safer and timelier transport of grain to markets. Industries such as Caterpillar, PPG Archer-Daniels-Midland Company, and Staley/Tate & Lyle in Decatur would benefit from having the improved route to ship their products and receive materials for their manufacturing needs.

ADDITIONAL INFORMATION

Regional Connectivity

These 75 miles of new expressway would bring the additional benefit of providing connections between interstates in the Central Illinois regional corridor. Another expressway facility is also planned for Illinois 29 from Springfield to Pana that will contribute to increased mobility in Central Illinois. Improving the Route 51 expressway completes connections with 1-70 near Vandalia and 1-57 immediately east of Route 51 using 1-64 south of Centralia.

The connection of these expressway and interstate systems would stimulate enormous economic potential to the entire Central Illinois area.

National Connectivity

Upgrading the 75 miles of Route 51 between Moweaqua, Illinois and Centralia offers the potential for Route 51 to be the completing link in a system of interstates that would be the most direct four-lane route from Canada, Minnesota, and Wisconsin on the north to Tennessee, Arkansas, Mississippi, and Louisiana on the south. This would relieve congestion on both Routes 1-55 and 1-57 and allow a north/south corridor that does not contribute to congestion on the highways adjacent to Chicago.

Regional Project Area Impact

The improvement of Route 51 will benefit the 11 Central Illinois Communities located in the eight counties between Decatur and Centralia. This provides a safer, more direct, and more efficient connection between the suppliers and markets in the regional area of the improvement. This allows items manufactured in communities in and north of Decatur, and in communities along the project corridor to be trucked south to the gulf ports. In addition, grain and commerce moving north would benefit from a more direct route than is currently available.

Current Status of Study, Design and Construction

- Phase I Study has been completed from Decatur to south of Pana to the Christian/Shelby County line.
- Phase II design is underway from south of Moweaqua to three miles north of Route 16 into Pana.
- Phase III Construction is currently underway on the by-pass from north of Moweaqua to south of Moweaqua.

Priorities to Continue Route 51 Improvement

Immediate consideration should be given to the following:

- Fund the Phase I Engineering Feasibility and Environmental Study for the 27-mile section from south of Pana to Vandalia for an estimated cost of \$10.4 million. This study will take an estimated 5 years and should be started as soon as possible. No design engineering can be performed until this is complete.
- Fund the Phase II Design Engineering from three miles north of Route 16 into Pana for the 6.9 miles around Pana to the east and to the Christian/Shelby County line for an estimated cost of \$2.6 million.
- Fund the Phase III construction for the 11.3-mile section from south of Moweaqua to three miles north of Route 16 for \$45.5 million.
- Fund the Phase III construction for the 6.9-mile section from three miles north of Route 16 to the Shelby/Christian county line for \$31.2 million.

We appreciate the opportunity to point out the major benefits of completing Route 51 between Decatur and Centralia. The major considerations for improving this facility will:

- Provide a direct connection to East-west interstate Routes 1-64, 1-70, and I72.
- Provide, in conjunction with the upgrading of Illinois Route 29, a direct connection to Springfield, Jacksonville, Lincoln, and Peoria.
- Provide a direct connection between Mt. Vernon, Centralia, Decatur, and Bloomington-Normal.
- Provide safer and more efficient movement of traffic from the "bedroom communities" along the Route 51 corridor to the larger employment centers to the north and south.

Thank you for the opportunity to provide this information for and we sincerely hope the committee will consider the information provided herein as the projects funded by TEA-3 are placed in line for approval.

Sincerely,

JULIE MOORE, *Board Member.*

STATEMENT OF INTERSTATE-74 MISSISSIPPI RIVER CROSSING CORRIDOR PROJECT AND
MIDWEST PASSENGER RAIL INITIATIVE

I-74 MISSISSIPPI RIVER CROSSING CORRIDOR PROJECT

Thank you for the opportunity to speak before this committee. Mississippi River crossings continue to be the highest transportation priority in the Quad Cities with over 150,000 vehicles crossing the Mississippi River on an average day and half of these crossings on the I-74 Bridge alone. In your packet, Exhibit I is a map indicating the I-74 Bridge location.

There is an urgent need to address congestion in the I-74 Bridge corridor. This bridge is carrying almost 74,000 vehicles per day and is significantly over capacity. The bridge itself is functionally obsolete and was not constructed to acceptable standards for Interstate driving conditions. The Iowa bound span was built in 1935 and the Illinois bound span was built in 1959 utilizing the 1939 design. Both spans were built for local non-interstate traffic and never met interstate standards. Consequently, the bridge has no shoulders and the ramps nearest the bridge have inadequate weaving lanes. Approximately 125 crashes have occurred on and near the I-74 Bridge in a 1 year period. In fact, the I-74 corridor accident rate is three times the national average in some locations. Improvements to address these capacity and safety concerns are necessary. Exhibit II, in your packet, illustrates the myriad of deficiencies and safety concerns in the I-74 Bridge corridor.

The I-74 Bridge is extremely important to the commerce of the area. Interstate 74 is the major north/south corridor in the Quad City area and provides for the movement of people and goods to employment centers, entertainment venues and commercial and industrial sites. The economy of the Quad Cities depends on adequate crossing capacity as we seek to serve the metropolitan population of 350,000. Over 50 percent of employed Quad Citians work in a community outside of their

residence. Over 20 percent of those employed work outside of their State of residence.

The I-74 Bridge provides access to one of the few military arsenals in the United States, Rock Island Arsenal. It provides connectivity between regional commercial centers and is also important to the economy of the States of Illinois and Iowa as it provides for interstate commerce and connections to major U.S. markets. The Quad Cities has a 37 million person market area within a 300-mile radius that includes 13 percent of the nation's population. Exhibit III includes captioned photographs visually showing the impacts of problems along the I-75 Bridge corridor.

The I-74 Corridor is part of the National Highway System and runs from 53d Street in Davenport, Iowa to 23d Avenue in Moline, Illinois, over five miles. The I-74 Corridor Study is the result of a Major Investment Study, conducted between 1996 and 1998, that examined crossing alternatives in the Quad Cities. The I-74 Corridor Study has analyzed solutions designed to improve traffic flow and address safety issues along the I-74 corridor. The draft Environmental Impact Statement (EIS) will be completed in the Summer of 2003. The balance of the work on the Final EIS and Record of Decision is expected in 2004, with completion in 2005. The project is being funded jointly by the Iowa and Illinois Departments of Transportation in close coordination with other Federal, State and local officials. The appropriation of \$14,000,000 in Federal funds over the past few years has made these efforts possible.

Although final project costs are still being developed it is estimated that they will total \$600 to \$650 million for the entire corridor. Authorization of this project in the 2003 Transportation Act is requested. In addition to the identification of this project as a high priority need in the 2003 Transportation Act, it is also requested that significant discretionary programs be established for bridges and interstate maintenance in the next transportation act to assist in funding the I-74 corridor improvements. Again, thank you again for the honor to speak to your today about this important transportation issue.

MIDWEST PASSENGER RAIL INITIATIVE IOWA INTERSTATE RAILROAD IMPROVEMENTS AND WYANET CONNECTION

The Iowa Interstate Railroad is in need of repair for both freight and passenger purposes. Current service on the Iowa Interstate is approximately 40 miles per hour between Wyanet, Illinois, through the Quad Cities, to Omaha. In addition, a railroad connection between the Burlington Northern Santa Fe and the Iowa Interstate Railroad is needed in Wyanet, Illinois.

The Illinois DOT commissioned a preliminary engineering study to determine the costs of the needed improvements. The Wyanet connection is estimated to cost \$3.9 million dollars and is considered a key intersection to address both passenger and freight needs. The costs of improvement to the Iowa Interstate Railroad are estimated at \$28.9 million. This improvement would increase service along the corridor from approximately 40-mile per hour service to 79 mile per hour service.

Further, the Quad Cities is not currently served by passenger rail. The Midwest Passenger Rail Initiative Study was conducted by nine Midwest State DOT's and the Federal Railroad Administration to consider the best opportunities for passenger rail service using Chicago as a hub. The consultant study proposed a system that would generate high levels of ridership and would recover the majority of its operating costs (refer to the map in the Addendum).

Communities in the Quad City area have formed a coalition with neighboring jurisdictions in Iowa and Illinois to promote the development of passenger rail service along the Interstate 80 corridor. Implementation of service would help alleviate congestion on Interstate 80 and the resulting railroad improvements could also serve freight transportation. According to the American Association of State Highway and Transportation Officials (AASHTO), 16 percent of the nation's freight is carried by railroads. Unless \$53 billion or \$2.65 billion annually is provided to augment private railroad investment, this percentage will not be maintained within the next 20 years. The result would be the transfer of 450 million tons of freight to the highway system costing \$238 billion in highway improvements over the 20-year period.

Leaders recognize the issues related to the provision of passenger rail service in the country and encourage timely resolve to these issues so that both existing and future passenger rail service needs can be addressed. Consideration should be given to the following establish a dedicated, multi-year Federal capital-funding program for intercity passenger rail similar to the Federal highway and aviation programs; establish a Federal policy to preserve and improve a national passenger rail system addressing new efficiencies, innovation and responsiveness; and fund implementation of this national passenger rail system.

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VILLAGE OF MAHOMET, IL,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

RE: State Street Improvement Project—Phase 2: Village of Mahomet, Champaign County, Illinois

DEAR SENATOR INHOFE: We are pleased to submit information to you describing subject project. On behalf of the citizens of the Village of Mahomet, we thank you for considering Federal funding for this urgently needed capital improvement project.

The Village of Mahomet is a rapidly growing community. The United States census showed 56 percent population growth between 1980 and 1990 and showed 57 percent population growth between 1990 and 2000. The 2000 census showed the Village population to be 4,877. Village officials believe that this growth trend continues today.

The high level of growth has challenged the Village's efforts to maintain the existing public infrastructure of the community and to make improvements to those systems to meet the ever increasing needs of the community. This growth requires substantial infrastructure improvements, yet the Village is still too small to adequately fund those needs by itself. The Village 10 year Capital Improvements Plan identifies over \$30 million of repairs and improvements to streets, bridges, sanitary sewers, water mains and the wastewater treatment plant that are urgently needed. This represents a staggering sum for a community our size.

The Village believes it is doing its part to meet these needs. The Village's spending upon capital improvement projects has exceeded \$750,000 annually for each of the past several years. The Village recently doubled its water rates to pay for improvements which will triple the size of our water treatment plant. The Village will soon implement a corresponding increase in its wastewater rates. The combined water / sewer costs to a typical residential customer will be among the highest of 55 surveyed communities in East Central Illinois.

The Village has currently budgeted over \$4 million in water system and wastewater system improvement construction in 2003 and 2004, along with over \$750,000 in street system improvements. Those improvements have been funded through issuance of new debt. The Village has reached a point where it will not be able to fund all of the urgently needed improvements via issuance of additional debt.

The State Street Improvement Project—Phase 2 is the continuation of an adjacent project currently scheduled for construction this summer. State Street serves as a collector street for the community, and provides the major transportation link for the Northwestern portion of the community. State Street provides primary access to four (4) schools, including the Junior High School and the Senior High School.

Traffic on this street has increased by 50 percent during the past 10 years, and is projected to increase by 50 percent during the next 20 years. State Street currently does not have adequate capacity to serve the using public. Pick-up and drop-off times for the surrounding schools are particularly problematic.

Phase One of this State Street Improvement Project will upgrade the intersection of State Street and Division Street to provide left turn lanes and permit unhindered bus-turning motions. Storm sewer systems and pedestrian safety will also be enhanced in the intersection area. The estimated total project costs for Phase One of this project are approximately \$440,000. These costs will be borne solely by the Village of Mahomet utilizing general funds.

A three-lane cross section for State Street was initially envisioned between Division Street and the Senior High School as a part of the Phase One improvements. This three-lane cross section will provide safety improvements for buses and vehicles making left turns into the Senior High School and Junior High School sites. This project element was eliminated from the Phase One Improvements due to inadequate funding. Phase 2 of this project includes the construction of this three-lane cross section, along with corresponding storm sewer improvements. It also includes pedestrian safety improvements, which are critical for the hundreds of school children who use these schools daily.

Phase 2 of the State Street Improvement Project also includes stormwater drainage improvements. Larger diameter storm sewers and a stormwater detention basin will be constructed to relieve an inadequate drainage outlet for an approximate 18 acre watershed. The storm sewers are inadequate due to the doubling of the size of each of the adjacent public schools. As a result, homes and streets now commonly experience flooding after rainstorms. The stormwater drainage improvements are intended to eliminate the health and safety problems caused by that flooding.

This project is currently estimated to cost \$630,000. A current estimate of the costs for Phase 2 of the State Street Improvement Project, along with a Project Location Map is attached.

This project will provide community-wide benefit. The benefit will extend beyond Village boundaries to all users of the Mahomet-Seymour School District. Traffic flow, pedestrian safety, and stormwater drainage will all be significantly improved. Phase 1 of this project has already been initiated and wholly funded by the Village of Mahomet. With Federal assistance, this second phase of the project will extend and enhance the benefits which will be realized by the construction of first part of the project this summer.

The Village currently can reallocate approximately \$100,000 toward Phase 2 of this State Street Improvement Project during the 2003—2004 fiscal year. However, without additional funding from outside sources, it may be 2 to 5 years before the Village could fund this project on its own. The multi-billion dollar budget deficit currently being experienced by the State of Illinois makes funding from State sources unlikely, although the Village is also exploring that alternative. Funding via Federal dollars would allow the Village to leverage the funds it has available to complete the project.

The Village of Mahomet sincerely thanks you for your consideration of funding for this State Street Improvement Project. Your assistance will help to assure that Village of Mahomet infrastructure keeps pace with our rapidly expanding population. We look forward to hearing from you. If we can provide additional clarity regarding this project, please do not hesitate to contact us at any time.

Sincerely,

JEFFREY A. COURSON, *President,*
Board of Trustees, Village of Mahomet.

VILLAGE OF MAHOMET, IL,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

RE: Division Street Reconstruction Project: Village of Mahomet, Champaign County, Illinois

DEAR SENATOR INHOFE: We are pleased to submit information to you describing sub-project. On behalf of the citizens of the Village of Mahomet, we thank you for considering Federal funding for this urgently needed capital improvement project.

The Village of Mahomet is a rapidly growing community. The United States census showed 56 percent population growth between 1980 and 1990 and showed 57

percent population growth between 1990 and 2000. The 2000 census showed the Village population to be 4,877. Village officials believe that this growth trend continues today.

The high level of growth has challenged the Village's efforts to maintain the existing public infrastructure of the community and to make improvements to those systems to meet the ever increasing needs of the community. This growth requires substantial infrastructure improvements, yet the Village is still too small to adequately fund those needs by itself. The Village 10 year Capital Improvements Plan identifies over \$30 million of repairs and improvements to streets, bridges, sanitary sewers, water mains and the wastewater treatment plant that are urgently needed. This represents a staggering sum for a community our size.

The Village believes it is doing its part to meet these needs. The Village's spending upon capital improvement projects has exceeded \$750,000 annually for each of the past several years. The Village recently doubled its water rates to pay for improvements which will triple the size of our water treatment plant. The Village will soon implement a corresponding increase in its wastewater rates. The combined water / sewer costs to a typical residential customer will be among the highest of 55 surveyed communities in East Central Illinois.

The Village has currently budgeted over \$4 million in water system and wastewater system improvement construction in 2003 and 2004, along with over \$750,000 in street system improvements. Those improvements have been funded through issuance of new debt. The Village has reached a point where it will not be able to fund all of the urgently needed improvements via issuance of additional debt.

The Division Street Reconstruction Project is the continuation of an adjacent project currently scheduled for construction this summer. Division Street serves as a collector street for the community, and provides a major transportation link for the Northwestern, Central and Southern portions of the community. Division Street provides primary access to four (4) schools, including the Junior High School and Senior High School.

Traffic on Division Street has increased by 50 percent during the past 10 years, and is projected to increase by 40 percent during the next 20 years. The Division Street pavement has substantially exceeded its design life. As a result, the pavement has begun to pothole and fail. In addition, the higher traffic volumes have created a need for left turn lanes at the Main Street intersection due to safety concerns.

The adjacent project scheduled for this summer will improve the intersection of Division Street and State Street to provide left turn lanes and permit unhindered school bus turning motions. Storm sewer systems and pedestrian safety will also be enhanced in the intersection area. The estimated project costs for this adjacent project are approximately \$440,000. These costs will be borne solely by the Village of Mahomet utilizing general funds.

The Division Street Reconstruction Project will continue the Division Street improvements southwardly five blocks from State Street to U.S. Route 150. The project will include pavement widening and repair, construction of curb and gutter, sidewalk, and storm sewer improvements.

Two heavily traveled intersections at Main Street and U.S. Route 150 will be provided with left turn lanes to improve safety. Pedestrian improvements will also be made in the vicinity of the schools to eliminate safety problems for the hundreds of school children who use these facilities daily. This Division Street Reconstruction Project is currently estimated to cost \$1,000,000. A current cost estimate, along with a project location map is attached.

This project will provide community-wide benefit. The benefit will extend beyond Village boundaries to all users of the Mahomet-Seymour School District. Traffic flow, pedestrian safety, and stormwater drainage will all be significantly improved. With Federal assistance, this project will extend and enhance the benefits realized by the adjacent intersection improvement project being constructed this summer.

The Village currently can reallocate approximately \$100,000 toward this project during the 2003-2004 fiscal year. However, without additional funding from outside sources, it may be several years before the Village could fully fund this Division Street Reconstruction Project on its own. The multi-billion dollar budget deficit currently being experienced by the State of Illinois makes funding from State sources unlikely, although the Village is also exploring that alternative. Funding via Federal dollars would allow the Village to leverage the funds it has available to complete the project.

The Village of Mahomet sincerely thanks you for your consideration of funding for this Division Street Reconstruction Project. Your assistance will help to assure that Village of Mahomet infrastructure keeps pace with our rapidly expanding population. We look forward to hearing from you in the near future. If we can provide

additional clarity regarding this project, please do not hesitate to contact us at any time.

Sincerely,

JEFFREY A. COURSON *President,*
Board of Trustees, Village of Mahomet.

VILLAGE OF MAHOMET, IL,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

RE: Eastwood Drive and Franklin Street: Pavement Reconstruction Project Village of Mahomet, Champaign County, Illinois

DEAR SENATOR INHOFE: We are pleased to submit information to you describing subject project. On behalf of the citizens of the Village of Mahomet, we thank you for considering Federal funding for this urgently needed capital improvement project.

The Village of Mahomet is a rapidly growing community. The United States census showed 56 percent population growth between 1980 and 1990 and showed 57 percent population growth between 1990 and 2000. The 2000 census showed the Village population to be 4,877. Village officials believe that this growth trend continues today.

The high level of growth has challenged the Village's efforts to maintain the existing public infrastructure of the community and to make improvements to those systems to meet the ever increasing needs of the community. This growth requires substantial infrastructure improvements, yet the Village is still too small to adequately fund those needs by itself. The Village 10 year Capital Improvements Plan identifies over \$30 million of repairs and improvements to streets, bridges, sanitary sewers, water mains and the wastewater treatment plant that are urgently needed. This represents a staggering sum for a community our size.

The Village believes it is doing its part to meet these needs. The Village's spending upon capital improvement projects has exceeded \$750,000 annually for each of the past several years. The Village recently doubled its water rates to pay for improvements which will triple the size of our water treatment plant. The Village will soon implement a corresponding increase in its wastewater rates. The combined water / sewer costs to a typical residential customer will be among the highest of 55 surveyed communities in East Central Illinois.

The Village has currently budgeted over \$4 million in water system and wastewater system improvement construction in 2003 and 2004, along with over \$750,000 in street system improvements. Those improvements have been funded through issuance of new debt. The Village has reached a point where it will not be able to fund all of the urgently needed improvements via issuance of additional debt.

The Eastwood Drive and Franklin Street Pavement Reconstruction Project involves the repair and rehabilitation of four (4) blocks of Eastwood Drive and Franklin Street. These two streets provide public access to a strip shopping center, grocery store, and retail commercial park within the Village. This neighborhood represents the primary retail commercial center for the community.

These streets were built in the 1970's and have exceeded their 25-year design life. The pavements are now experiencing substantial distress. The growth of the community has resulted in traffic volume well beyond the intended design for these streets.

This Eastwood Drive and Franklin Street Pavement Reconstruction Project will include replacement of the current rural pavement cross section with new curb and gutter, storm sewer and sidewalk. The reconstruction of these two connecting streets will provide for increased traffic capacity and vastly enhanced safety for this commercial area. This project is currently estimated to cost approximately \$600,000. A current cost estimate, along with a project location map are attached.

This project will provide community-wide benefit to the Village of Mahomet and the surrounding residents who use this commercial area. It will also benefit travelers on adjacent Interstate 74 who stop to use this commercial area. This project will help to encourage continued development in this area. Full development of this commercial area will increase the Village's tax base and help to increase the desirability of the Village as a commercial destination.

The Village of Mahomet currently can reallocate approximately \$100,000 toward this Eastwood Drive and Franklin Street Pavement Reconstruction Project during

the 2003–2004 fiscal year. However, without additional funding from outside sources, it may be several years before the Village could fully fund this project on its own. The multi-billion dollar budget deficit currently being experienced by the State of Illinois makes funding from State sources unlikely, although the Village is also exploring that alternative. Funding via Federal dollars would allow the Village of Mahomet to leverage the funds it has available to complete the project in a timely fashion.

The Village of Mahomet sincerely thanks you for your consideration of funding for this project. Your assistance will help to assure that Village of Mahomet infrastructure keeps pace with our rapidly expanding population. We look forward to hearing from you. If we can provide additional clarity regarding this project, please do not hesitate to contact us at any time.

Sincerely,,

JEFFREY A. COURSON *President,*
Board of Trustees, Village of Mahomet.

MAHOMET-SEYMOUR SCHOOLS,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510–3603.

DEAR SENATOR INHOFE: I am writing on behalf of the Mahomet-Seymour School District in support of the Village of Mahomet's requests for local transportation system funding. The Village annually appropriates an average of \$175,000 for transportation system improvements. This level of funding allows the Village to minimally maintain and repair only the most deteriorated infrastructure.

It is only through the receipt of outside sources of funding, or via debt financing, that the Village is generally able to take on any substantial capital project. This is the case for the upcoming fiscal year. The Village is fortunate to be able to undertake the first phase of a large improvement project that will ultimately widen and improve the single-most congested intersection in town, i.e. State Street/Division Street. The total estimated cost of this part of the much larger comprehensive State Street improvement project exceeds \$440,000. On the down side, because the majority of the cost of this project is debt financed via general obligation bonds, the Village will not be in a position financially to undertake the next phase of this improvement project, or any other significant project, for several years. This is of concern since there are more than \$10 million in capital projects identified within the Village's current transportation system capital improvements plan, including the three projects identified by the Village for your consideration. These particular three are high visibility, high priority projects that will positively impact local residents and visitors to our community.

At a time when our economic future is uncertain and demand for minimum levels of service is high, local officials are searching for a variety of ways to achieve results without further burdening the taxpayer. Your assistance in obtaining additional funding will help us reach that goal.

The Mahomet-Seymour School District certainly supports and appreciates your consideration of the Village's request for transportation system funding. If I may be of further assistance, please contact me.

Sincerely,

JOHN W. ALUMBAUGH,
Superintendent.

CORNBELT FIRE PROTECTION DISTRICT,
April 3, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510–3603.

DEAR SENATOR INHOFE: I am writing on behalf of Cornbelt Fire Protection District in support of the Village of Mahomet's requests for local transportation system funding. The Village annually appropriates an average of \$175,000 for transportation

system improvements. This level of funding allows the Village to minimally maintain and repair only the most deteriorated infrastructure.

It is only through the receipt of outside sources of funding, or via debt financing, that the Village is generally able to take on any substantial capital project. This is the case for the upcoming fiscal year. The Village is fortunate to be able to undertake the first phase of a large improvement project that will ultimately widen and improve the single-most congested intersection in town, i.e. State Street/Division Street. The total estimated cost of this part of the much larger comprehensive State Street improvement project exceeds \$440,000. On the down side, because the majority of the cost of this project is debt financed via general obligation bonds, the Village will not be in a position financially to undertake the next phase of this improvement project, or any other significant project, for several years. This is of concern since there are more than \$10 million in capital projects identified within the Village's current transportation system capital improvements plan, including the three projects identified by the Village for your consideration. These particular three are high visibility, high priority projects that will positively impact local residents and visitors to our community.

At a time when our economic future is uncertain and demand for minimum levels of service is high, local officials are searching for a variety of ways to achieve results without further burdening the taxpayer. Your assistance in obtaining additional funding will help us reach that goal.

Cornbelt Fire Protection District certainly supports and appreciates your consideration of the Village's request for transportation system funding. If I may be of further assistance, please contact me.

Sincerely,

JOSEPH L. MIKAN,
Will County Executive.

Joliet, IL, April 7, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

DEAR SENATOR INHOFE: Will County, Illinois, is taking this opportunity to provide you with information on its desires and concerns regarding the upcoming re-authorization of the Federal transportation bill, TEA-21. This information is being submitted to you in correlation with the U.S. Senate Committee on Environment and Public Works' (EPW) field hearing on the transportation needs of Illinois.

Will County, Illinois, is the second largest County in northeastern Illinois and the 13th largest in the State with a current population of 536,000 and growth projections that have made it the fastest growing county in Illinois and placed it in the top ten fastest growing counties in the United States. The points listed below identify policies for the re-authorization of TEA-21 that are necessary to the improvement of mobility for all of Illinois and the County of Will.

- Increase Federal funding levels of the transportation bill overall in order to meet critical needs for rehabilitation and new capacity.
- Increase Illinois' share of formula-based funds, removing Illinois from donor status to recipient status due to infrastructure needs.
- Maintain the firewalls made part of the TEA-21 legislation, protecting funding levels for highway and transit programs from being diverted throughout the cycle of the bill.
- Continue the inclusion of quality core programs such as Infrastructure Maintenance (IM), Bridge, Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ), Enhancement, and National Highway System (NHS) and maintain or increase funding levels of these programs.
- Broaden the eligibility of CMAQ to allow eligibility of projects that prevent congestion levels from current levels used to determine eligibility based on the need to "mitigate" congestion.
- Maintain Federal/local match guidelines at 80/20 for highway and transit projects
- New Transportation Security programs should be funded with General Revenues
- Develop a new Federal funding program to address airport planning including land-use, transportation and tax issues.

- High Priority Project programs are an important mechanism for addressing critical infrastructure and planning needs and should be in addition to formula-based funds.
- Eliminate the requirement for Major Impact Studies (MIS) as their purpose can be fulfilled through Federal EIS process requirements.
- Develop a Federal program to address rail freight issues.

These policy concepts for the re-authorization of TEA-21 can provide the structure and vehicle for the planning and funding of projects and programs that are crucial to maintaining quality of life for the citizens of Will County and the State of Illinois. Thank you for this opportunity.

Respectfully,

JOSEPH L. MIKAN,
Will County Executive.

April 8, 2003.

Hon. JAMES M. INHOFE, *Chairman,*
Committee on Environment and Public Works,
Senate Office Building,
Washington, DC 20510-3603.

DEAR SENATOR INHOFE: I want to thank you for the opportunity to discuss with you and your staff Will County's interest in the development of a third airport in Will County during our recent trip to the Capitol. Our activities during the past 6 months have focused on developing a coalition of support for the third airport with the participation and assistance of the South Suburban Cook and Will County Communities as well as Kankakee County and the Illinois Department of Transportation.

We see the new airport as purely supplemental to the existing airports serving Chicago. The FAA officials we visited with appear to agree with this approach and have offered to give us their support in as their review of this element of the region's strategic air transportation plan moves forward. We appreciate your support, endorsement and leadership in helping to achieve this goal.

I regret that I was not able to attend the recent field hearing regarding the Chicago Region's transportation issues held in Chicago. Lack of advance notice and schedule conflicts precluded my appearance. Please add Will County and all other collar counties that are part of the North Eastern Illinois Planning Commission's six county planning area to your notice list for all future hearings relating to the transportation needs of the region.

I have included with this letter my correspondence to Senator Inhofe setting forth Will County's desires and concerns regarding the upcoming re-authorization of the Federal transportation bill, TEA-21.

Again, thank you for those courtesies extended by you and staff during our Washington, DC. visit.

Respectfully,

JOSEPH L. MIKAN, *Will County Executive.*

TEA-21 REAUTHORIZATION: REGIONAL TRANSPORTATION ISSUES

MONDAY, AUGUST 11, 2003

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Brownsville, Texas

The committee met, pursuant to notice, at 10:30 a.m. at the Science Education Technology Building, Lecture Hall, 80 Fort brown, University of Texas at Brownsville (UTB), Brownsville, Texas, Hon. James M. Inhofe [chairman of the committee] presiding.

TRANSPORTATION INVESTMENT ALONG THE SOUTHERN TEXAS BORDER

Present: Senators Inhofe and Cornyn.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

Senator INHOFE. We are going get started. One thing about the committee I chair is we are punctual and we start on time. That's unusual for Washington.

Let me welcome everyone. We have a lot of people who are not here. It is my understanding that Solomon Ortiz is out of the country and unable to be here, but is he represented today? Solomon is a dear friend whom I served with in the House.

I'm honored to be here with my good friend John Cornyn. In fact, he is the reason we are having this hearing here. We have only had one field hearing and that was in Illinois. We kind of made a deal with John. When he was running for office, I said when you win, I want you to be on my committee and I'll agree to have the first field hearing if you'll do that. Then I said, where would you like to have it. He told me about all the things happening in south Texas of which I'm more familiar than you might think. I spent 40 years as a builder and developer in south Texas so I know a little bit about it.

So many things are happening as John told me in south Texas that we need to be on top of. There are some not actually testifying before us. I understand Donna Imard is here. Hi, Donna. How are you? I look forward to visiting with you after, so don't get away. I want to hear also how Raul is doing.

I think you are all familiar with what we are doing and why we are here. We are in the process of reauthorizing for the next 6 years, the Transportation Authorization. The last one was 6 years ago and was TEA-21 and the one before that was ISTEA, 6 years

before that. I was serving on the committee at that time also. We are in the process of trying to get this done. John and I are working closely together. We were hoping to have our authorization done by now before this recess we are in. However, the Senate works very slow and we were unable to get the floor time to do it. Now I have bad news, John, that you may not know about because I just heard about it yesterday that we may not get our floor time until October. As you know, our authorization runs out before that, so this is critical.

We are fighting hard on our committee to get to the full \$255 billion funding level over the next 6 years. If we do this, we have tentative formulas and due mostly to the efforts of John, it's going to have a very favorable effect on Texas. Texas during TEA-21 ended up with \$12.6 billion over that period of time. This should be increased by around 37 percent. That is the second largest increase in the entire country. For some unique purposes, Colorado is 41 percent but Texas is No. 2 in that respect so I think you will be well treated.

We are concerned about a lot of the things going on down here in terms of where the highways go and all that but I also want to call your attention to other critical issues such as streamlining environmental laws. We want to make sure we are in a position to get this work done. Having been a mayor of a major city for four terms some years ago, I know what a hard job is. I tell my friends in the Senate, the hardest job in the world is to be mayor of a city. If something goes wrong, if your trash system didn't work, it ended up in your front yard. There aren't any hiding places there. We have our mayors here and are looking forward to seeing them on the second panel.

I would say having been the mayor of a city that was out of attainment, we understand the problems that come with that. So we are looking forward to hearing the second panel as well as the first and the third.

We are going to stay on schedule because we have some very important people to testify before us. While there are only two senators here, we have our full staff with us. We'll be taking notes. We want to know from you what the priorities are recognizing that probably Johnny Johnson will have more to do with working within those priorities because that is the way the system works. We will look forward to working with you.

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

I would like to welcome everybody to this field hearing of the Committee on Environment and Public Works. I am honored to hold the hearing for my good friend John Cornyn to learn more about the transportation needs along the Southern Texas Border and how we can buildup the successes of TEA-21.

As I'm sure everybody here is aware, the law currently governing surface transportation, TEA-21, must be reauthorized this year. I believe there is a desire at all levels to finish this legislation as soon as possible. It is my desire that we would complete action in the Senate early in September.

My goals for reauthorization are very congruent with the needs of Texas and, I believe, the goals of Senator Cornyn.

I plan to put a great deal of focus on improving safety, congestion, and freight movement. A good highway program can save lives, improve the economy, and improve peoples' quality of life.

Reauthorizing the transportation bill also gives us an opportunity to examine the environmental laws that govern the process of planning and constructing new transportation infrastructure. I plan to streamline the approval and building process that bogs-down road building today.

I am also interested in providing a legal basis for the agreements that EPA made with States and localities for areas to attain the 8-hour ozone standard early. EPA had worked out the concept with environmental groups, yet I am concerned that these areas are vulnerable to lawsuits. Areas that have signed "early action compacts" are taking steps to clean their air faster than required. Texas has early action compacts for the San Antonio, Austin, and Longview-Tyler areas, and Oklahoma has compacts for both Tulsa and Oklahoma City.

I also would like to see healthy and sustainable growth in funding levels under the new bill. The nation's highway and bridge needs are staggering. I intend to fund the highway component of the bill at include \$255 billion over 6 years. This would be about the same growth rate in funding as between ISTEA and TEA-21. This will allow us to continue the great improvements made under TEA-21.

But simply increasing funding is not enough. States like Oklahoma and Texas currently pay significantly more into the Highway Trust Fund than they receive in highway funding. We are donor States. I want to significantly increase the rate of return of donor States. This is an important equity issue.

Texas received less than \$13 billion under TEA-21. Early estimates indicated that Texas would receive at least an additional \$4.5 billion under a bill written at \$255 billion that improved the rate of return for donor States.

I would like to thank the witnesses for coming. I look forward to hearing your testimony.

Senator INHOFE. Our first panel consists of: Emil Frankel, Assistant Secretary for Transportation; Johnny Johnson, you know him, Chairman of the Commission; and Bill Stockton, Assistant Agency Director, Texas Transportation Institute.

With that, I'll pass it on to Senator John Cornyn for any comments he might want to make.

OPENING STATEMENT OF HON. JOHN CORNYN, U.S. SENATOR FROM THE STATE OF TEXAS

Senator CORNYN. Thank you, Chairman Inhofe.

I want to say how grateful I am for your willingness to conduct this field hearing and particularly in an area where I know you share a lot of concern and you've spent a lot of time.

Senator INHOFE. You notice I'm the only one here without a tie on. That was the other condition under which we were going to have this hearing, that I wouldn't have to wear a tie.

Senator CORNYN. I continue to learn from Chairman Inhofe and next time I won't make that mistake, I promise you.

When Chairman Inhofe asked me to serve on the Environment and Public Works Committee, and was good enough to make sure that I was appointed to the Transportation Subcommittee that would rewrite TEA-21, coming from a State like Texas, I couldn't pass that up. Texas has exploded, our population has grown tremendously and no where is that more obvious than in south Texas. While south Texas is prospering and jobs are being created, you're seeing signs of economic development everywhere, it is very encouraging and there are a lot of challenges that south Texas has because it's situated along our border with Mexico.

With the advent of NAFTA, there is increased pressure on our existing infrastructure that needs to be maintained better. We need to expand our trade routes to make sure that the goods that flow across the border from our important trading partners to the south continue to flow and since 9/11, the challenges of national security,

homeland security are even greater than we realized they were before 9/11.

Everyone knows that we cannot be so focused on security that we forget commerce. We cannot shut down our borders to deny both the exchange between families and people who live on both sides of the border in a way that perhaps folks in Washington might not realize and also the important benefits to be gained in the local economy in terms of job creation that come along with that commerce.

No where is that more significant than in terms of maintaining and expanding our infrastructure and I know we have the A team testifying on all these panels today. I am delighted you accepted our invitation to come and tell us about your concerns, particularly the concerns we have here on the border to make sure the good thing we have going continues for the benefit of not only the people in south Texas and the people of Texas but the people of Oklahoma and all of the other States that benefit from that commerce flowing across our borders.

Thank you very much.

Senator INHOFE. Thank you, Senator Cornyn.

We will start with Secretary Frankel. I'll put the timer on this, you can go seven or 8 minutes but try not to get beyond that.

STATEMENT OF HON. EMIL FRANKEL, ASSISTANT SECRETARY FOR TRANSPORTATION POLICY, DEPARTMENT OF TRANSPORTATION

Mr. FRANKEL. Mr. Chairman, Senator Cornyn, it is a great pleasure to be here, and thank you for the opportunity to appear before you to discuss border transportation in the context of the reauthorization of the Surface Transportation Programs now before your committee.

I ask that my longer prepared statement be made a part of the hearing record.

Senator INHOFE. Without objection.

Mr. FRANKEL. There is no better place to hold such a hearing than in the State of Texas, and, particularly, in south Texas. There are not many issues more important in transportation than those associated with the movement of goods and people across our vast land borders in the South and North.

President Bush knows well the transportation needs of the State of Texas and with the border with Mexico. His leadership, both as President and as Governor of Texas, has focused on the value of a strong transportation system. Secretary Mineta has also been a leader on border issues throughout much of his remarkable career in transportation.

When NAFTA was implemented in 1994, exports to Mexico constituted less than 10 percent of total U.S. exports. In less than 10 years, exports to Mexico have soared over 70 percent and now represent more than 14 percent percent of total exports. Total U.S. trade with Mexico increased 186 percent in the first 8 years following NAFTA implementation. Nowhere has this growth been felt more strongly than in Texas, Mexico's largest trading partner. Texas ports, bridges and airports handle over 70 percent of all U.S. exports to Mexico. In 1994, there were less than three million

truck-crossings at the U.S.–Mexico border. By the year 2000, the number was approaching four and a half million, a 50 percent increase. Much of this traffic is handled here in Texas.

Given these recent trends, it is appropriate to address border transportation issues in the context of the reauthorization. The Bush Administration's recently released reauthorization proposal entitled the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003, SAFETEA, offers several proposals to improve the flow of people and commerce across the Mexican and Canadian borders.

Most importantly, SAFETEA would replace the current National Corridor Planning & Development Program and the Coordinated Border Infrastructure Program, a single program, with two separately funded programs. TEA-21's Borders and Corridors Program, we don't believe, has lived up to its potential. Specifically, important border projects too often were unable to obtain funding. In 2003, only 5 percent of the combined NCPD/CBI went to border-related activities. Only two Texas border projects received program awards in fiscal year 2001 and 2003 and one in fiscal year 2002. Moreover, every award under NCPD/CBI was congressionally designated in fiscal years 2002 and 2003. As a result, the Secretary has been stripped of his ability to implement any coherent strategy to improve border transportation operations.

SAFETEA proposes to increase the focus on land borders through the establishment of a new Border Planning, Operations, and Technology program. The purpose of this proposed program is to improve bi-national transportation planning, operations, efficiency, information exchange, safety, and security for the U.S. borders with Mexico and Canada. SAFETEA would authorize \$500 million over the life of the Border Program. In fiscal year 2004, \$47 million of these funds would be used for construction of State border truck safety enforcement facilities in Arizona, California, New Mexico, and Texas, fulfilling a 3-year commitment for this purpose and helping to prepare the way for eventual safe implementation of NAFTA's commercial truck and bus access provisions.

Eligibility under the Border Program would be restricted to States and MPOs at or near the borders of Canada and Mexico. The proposal envisions a wide range of eligible border activities, such as improvements to safety inspection and port of entry facilities; enhanced technology and information exchange; planning and environmental studies; technology facilities improvement implementation; and right-of-way acquisition, design, and construction, related to safety and technology improvements. The Secretary would retain discretion to allocate funds under the SAFETEA proposal but subject to clear selection criteria.

SAFETEA also includes a new Multi-State Corridor Planning program. This program would emphasize multi-State planning efforts. The proposed program would provide an opportunity for States and regional agencies to plan jointly for a variety of geographic areas, in addition to tradition metropolitan or statewide areas. The principal objective would be to address the gap created by formula programs, which do not provide specific funds for multi-State, multi-modal, and multi-jurisdictional decisionmaking

on corridors. SAFETEA would authorize almost \$500 million for the program over the life of the bill.

The potential for a separate border program may be seen in projects such as the World Trade Bridge in Laredo, Texas. Approximately 35 percent of all incoming trucks and nearly half of all incoming trains to Texas pass through Laredo. With the downtown Laredo Juarez–Lincoln Bridge stretched to capacity, Mexico, the State of Texas, the city of Laredo, and the city of Nuevo Laredo constructed a new bridge and related improvements for \$100 million. The bulk of financing came from Federal and State sources, and the \$6 million contribution from the Borders and Corridors Program was an important boost to the project.

The new bridge opened on April 15, 2000. Crossings typically now take about 5 minutes between the time the vehicle leaves the Interstate main lane and the time the vehicle crosses into Mexico. Local traffic moves much more efficiently, and traffic safety in the area has improved. Many new businesses have located along the highway, and Laredo experienced substantial job growth in fiscal year 2001, due in part to the business opportunities created by the new bridge.

While the proposed Border Program is the most specific border program contained in SAFETEA, it is not the only proposal that can improve the efficiency of our borders. SAFETEA eliminates most discretionary highway grant programs and makes these funds available under the core formula highway grant programs, thus giving States and localities tremendous flexibility and certainty of funding under core Federal-aid highway programs. States like Texas have used these core program funds in the past to address border transportation issues. I am sure Commissioner Johnson will speak to that more specifically. SAFETEA proposes to increase the percentage of Federal transportation assistance that is funneled through these flexible programs. President Bush believes that State and local decisionmakers have the greatest capability to address State and local transportation problems. That is a major theme of SAFETEA. The success of the World Trade Bridge project in Laredo hinged on sustained involvement and leadership from the locality and the State of Texas.

SAFETEA also establishes a new performance pilot program under which States, including States with significant border activities, can manage the bulk of their core formula highway program funds on a block grant performance basis, cutting across the programmatic lines by which the Federal-aid highway program is normally structured.

Senator INHOFE. Secretary Frankel, can you summarize?

Mr. FRANKEL. I will.

Under the pilot program, States would work with the Department to develop and meet specific performance measures that reflect both State and national interests. Also, as both of you are aware, there also are proposals in this bill to address the environmental streamlining process. We are already acting in that regard, pursuant to an executive order issued last September by the President. One of the priority projects selected under that executive order is the I–69 project here in Texas.

Improving the movement of freight and goods is a top priority of the Department, something I know is important here in Brownsville. Clearly our intermodal freight network is not equipped to handle the growing volume of intermodal freight, especially container freight, and we have made specific proposals in SAFETEA to enhance the movement of freight and goods. The Administration will have other proposals and programmatic reforms to improve the intermodal freight transportation and connections.

Finally, while the primary transportation security functions no longer rest with our department, we intend to maintain an important partnership with the Transportation Security Administration and other relevant agencies at the Department of Homeland Security, as Senator Cornyn has indicated. We have to find the appropriate balance between security and productivity at our border crossings.

As the economies of the United States, Canada and Mexico become more interdependent, the demands on the immense land borders between us will continue to grow. Transportation issues are at the heart of these demands. This Administration and our department are working to ensure that U.S. border operations promote economic growth and improve security.

Thank you again for this opportunity to testify, and I look forward to responding to your questions.

Senator INHOFE. Thank you, Mr. Secretary. Appreciate it very much.

Mr. Johnson?

**STATEMENT OF JOHNNY JOHNSON, COMMISSIONER, TEXAS
DEPARTMENT OF TRANSPORTATION**

Mr. JOHNSON. Thank you, Chairman Inhofe and Senator Cornyn.

I am John W. Johnson, Chairman of the Texas Transportation Commission. I appreciate the opportunity to share with you our Texas transportation priorities with the reauthorization of TEA-21.

I have also submitted written comments and request they become a part of the record.

Senator INHOFE. Without objection.

Mr. JOHNSON. On our display board, we have some statistical data that I will not repeat in deference to time. One statistic I do want to emphasize is during the decade of the 1990's, in the State of Texas, 218 billion vehicle miles traveled represents a 41 percent increase during that decade. Please also note that during that 10 year period highway lane miles only increased 3 percent and if you combine those two statistics with the population growth Texas experienced during the decade of the 1990's, what you simply have is more people and more cars in about the same amount of space which is a formula for congestion.

Texas is NAFTA's port of entry. It is the Nation's NAFTA port of entry. About 80 percent of U.S.-Mexico trade enters through a Texas border point of entry. I know Bill Stockton will emphasize what we are doing at our ports of entry and I know Secretary Frankel also referred to them.

Texas is a donor State. We would like the minimum guarantee to be set at no less than 95 percent of our share of contribution to the Highway Trust Fund and to cover every dollar distributed from

the highway account. We strongly support Senate Bill 1090 and House Bill 2208.

We have donated more than \$5 billion to other States since 1956 and under TEA-21 our rate of return has been only 88 cents on the dollar. We would have recovered another \$1.2 billion under TEA-21 had this 95 percent minimum guarantee been in effect.

Texas needs more transportation financing tools and fewer restrictions. At the State level, we had a significant legislative session and passed House Bill 3588 which gives us a number of new tools. We have the ability for regional mobility authorities, enacting the Governor's vision of the Trans-Texas Corridor which is also on this display board which will move traffic through and around our major urban areas in a much more efficient way.

We have bonding authority. We have also used a number of existing Federal financing tools and would like to broaden the authority to be able to use those tools more effectively. Primary among these are TIFIA, a \$916.7 million loan to be specific, that will be used for the construction of the Central Texas Turnpike Project, which is a segment of four toll roads in central Texas that will become part of the Trans-Texas Corridor. We are also using to great effect our State infrastructure bank and it now enables locals to bring projects to reality sooner.

I-69 is a major national trade corridor that will bring tremendous relief and status to the border region as well as to Texas. It is also national in scope as it goes all the way to the Canadian border and shares its full length between our two major international trading partners.

The Federal Highway Administration's Design-Build rules could cause significant delays in delivery of key transportation projects and limit investment of the private sector in those needed projects. The rules should be liberalized to allow States to use State procurement processes for Design-Build contracts.

TEA-21 reauthorization should create new tools and expanded flexibility to provide quicker and more cost efficient project delivery mechanisms. We'd like the ability to toll portions of the Federal Aid Highway System, buy back portions of the system, privatize rest areas and use private activity bonds to bring the private sector into a public/private partnership to build Texas' 21st Century transportation system. Both the RAPID Act sponsored by Congressman Michael Burgess and the FAST Act sponsored by Senator Wayne Allard contain provisions that will help make these tools available to the States.

Improvements to the Corridors and Borders Program—which were, as stated by Secretary Frankel, created in TEA-21—are necessary to direct the funds where they are needed the most: the promotion of national economic growth in relationship to international, interregional trade and facilitation of the safe movement of people and goods across the U.S. borders.

We strongly support legislation introduced by Senator Hutchison in S. 1099 and Congressman Burgess in H.R. 2220 which are designated to properly clarify these programs. Congress also needs to remove the strings that delay project delivery through improving environmental review and planning processes. We encourage the Congress to allow States to exercise their environmental and

project stewardship responsibilities by granting more categorical approval authority and delegating FHWA overview to the States. An important amendment to the Federal environmental laws and regulations is also needed to expedite approval of high priority and emergency projects including projects to improve the safety of roadways having higher than average traffic accident rates.

Texas will add at least four new non-attainment areas under the new ozone standard. The Congestion Mitigation and Air Quality Improvement Program must be amended to adjust for larger demand on these funds. In addition, we believe that CMAQ eligibility should extend to near-non-attainment areas that have entered into a legal voluntary emissions reduction agreement and more important, we would ask that Congress restructure the CMAQ program to allow it to support the significant air quality benefits available from congestion mitigation, rather than continuing the current restriction of these funds to air quality improvement projects only.

Thank you for the opportunity to bring part of the Texas transportation message to you today. Texas has a lot at stake in the work now on the congressional agenda. Your work to improve the Federal Government's commitment to enhanced transportation funding is very important to Texas and to the border region.

Senator INHOFE. Thank you, Commissioner.

Mr. Stockton?

**STATEMENT OF WILLIAM R. STOCKTON, ASSISTANT AGENCY
DIRECTOR, TEXAS TRANSPORTATION INSTITUTE**

Mr. STOCKTON. Mr. Chairman, Senator Cornyn, thank you for the invitation to join you today and participate in this hearing on transportation investment along the Texas southern border. It is truly an honor to testify before your committee and especially to serve on a panel with distinguished men such as Secretary Frankel and Commissioner Johnson.

I have also submitted written testimony that I would ask be included in the record.

I am Bill Stockton, Associate Director of the Texas Transportation Institute, a research agency of The Texas A&M University System. Along with colleagues from the University of Texas at Austin, UT Brownsville, and other members of the A&M and UT systems, we have been working on solutions to border transportation issues for many years. Our focus is on expediting the movement of increased commercial traffic across the U.S./Mexico border without compromising U.S. national security.

In our research we have observed two categories of challenges: physical and institutional. We see opportunities stemming from both. First, the physical challenges, which are generally well known with very few exceptions, today's border truck traffic exceeds the level envisioned when most border stations, border communities and border highways were built. As a result, the border stations are often cramped, border communities experience congestion and air pollution, and border highways often show distress of repeated heavy loads. Since widening of international bridges and significant expansion of the border inspection facilities is not an immediate prospect, then to deal with these physical challenges, we must focus on better ways of managing truck traffic much as we

manage traffic better on freeways that can't be expanded in our metropolitan areas.

Of at least equal significance are the institutional challenges which are not as well known and not well understood. The primary challenge is coordination among the players. Lack of coordination costs time and money. Most of today's problems existed before NAFTA and they continue because there is no over-arching mechanism to make sure they get fixed and stay fixed. It is a common mistake to focus on the border station as the sole bottleneck in the transborder freight movement ignoring the reality that the process, especially the transportation component of the process begins with the shipper in interior Mexico and may end with a receiver somewhere near Chicago.

For example, prior to September 11, more than 100 Federal agencies had some role in approving or processing or sharing data for truck border crossings and several inspection agencies operated independent of each other within the border station itself. The Homeland Security reorganization has yielded significant improvements among Federal agencies but the coordination process across all stakeholders—public and private stakeholders—can still be improved.

Further, each of the myriad of these stakeholders has its own measure of success so there is no common yardstick by which we can gauge the efficiency or effectiveness of one border crossing versus another. That makes it difficult if not impossible to know where to allocate resources to improve operations or infrastructure.

The bottom line is that transport of freight movement is a supply chain system and the sooner we recognize it and manage it that way, the sooner we will reap the benefits. I have to say that great progress has been made in spite of the challenges of exponential growth and the emerging challenges of national security and truck safety. Efforts led by the U.S. Department of Transportation and the Texas Department of Transportation have not only made bold steps in defining the specific issues to be addressed but have also begun rapid implementation of solutions.

I have four recommendations which I believe are consistent with safety though maybe somewhat more specific. One is the Texas Model Border Crossing which incorporates off-the-shelf technologies and processes to detect, identify, screen, and track trucks through commercial border crossings, providing smooth and rapid passage to those that are in full compliance with Federal and State laws and rules. A full scale pilot of this prototype at a business Texas port of entry would be a wise demonstration, especially in concert with new initiatives from the Bureau of Customs and Border Protection.

Second, the coordination problem I identified can be overcome with the development of a public/private overarching mechanism to provide supply chain type management. What is needed is a multi-partner study to define the elements, the players and the process. Such a study could produce those benchmarks that I mentioned for performance and the yardsticks to measure progress toward our goals.

Third, the Federal Government should endorse variable toll structures instead of fixed rate tolls at international bridges which

are typically operated by a local government, allowing market forces to help balance peak demands and accommodate time sensitive shipments.

Fourth and finally, the federally mandated metropolitan planning process should be expanded to officially incorporate border station planning and encourage Mexican sister city participation.

Thank you for your time and interest.

Senator INHOFE. Thank you, Mr. Stockton.

Let me ask you a question. I'm not really familiar with the make-up. You are really associated with the university system as opposed to the State of Texas.

Mr. STOCKTON. We are actually an agency of the State of Texas that's embedded within the university system.

Senator INHOFE. And you are advisory on some of these technical things that you were talking about at border crossings?

Mr. STOCKTON. That is correct. We do contract research. The U.S. Department of Transportation, the Texas Department of Transportation are our two largest sponsors. We work with other universities and university systems in doing that research.

Senator INHOFE. I'd like to make a request of you and maybe of you too, Mr. Johnson. For quite some time, I've been concerned with the lack of improvement in technology of security systems coming across which does relate to the subject here today. One that we've been trying to get competition on post, past neutron analysis. Are you familiar with that?

Mr. STOCKTON. Yes, sir.

Senator INHOFE. Can you enlighten me as to any progress that's been made?

Mr. STOCKTON. I do not have a current update on the status of that.

Senator INHOFE. For the record, could you send that to me?

Mr. STOCKTON. Yes, sir.

Senator INHOFE. Commissioner Johnson, this chart you had up here is a little confusing to me because I needed to have someone pointing out where some of these are. Could you have one of your staff people come up and show me?

Mr. JOHNSON. I can do it or Tonia Ramirez from our Legislative Affairs Office can do it.

Conceptually it is the Trans Texas Corridor which creates routes which are different from the ones in existence today that will enable freight, rail and passenger traffic.

Senator INHOFE. where is your I-69?

Mr. JOHNSON. It starts here in the valley and also in Laredo.

Senator INHOFE. I see.

Mr. JOHNSON. Laredo connects around Victoria, Texas and I-69 is conceived as a three-legged stool with one leg in Brownsville, one leg in McAllen and one in Laredo and they would merge in the Victoria, Texas area.

Senator INHOFE. Your concern on the donor status of the State of Texas, let me assure you everything you said also applies to my State of Oklahoma, not just for that reason but for equity reasons, we are addressing that in our new reauthorization. I believe the formulas we are working with, although none of this has been ap-

proved and passed yet, are going to get you up to the 95 percent that you talked about.

Let me ask one more question and then I'll turn it over to Senator Cornyn. Our third panel is going to be in the private sector. I'd like to see if there is anything you would comment on what the Federal role should be to assist them without getting into their jurisdiction? In other words, how can you be more helpful as opposed to being more demanding as is sometimes the case with bureaucracies?

Mr. FRANKEL. Mr. Chairman, is that question particularly directed at border crossings?

Senator INHOFE. Oh, no, no, in the movement of freight in general?

Mr. FRANKEL. As I think you know from the proposals we have made in SAFETEA, we want to improve innovative financing tools. I know Commissioner Johnson made reference to private activity bonds which is a proposal to allow private activity bonds, to be utilized in connection with highway projects and intermodal freight projects. That is a very significant proposal in the Administration's bill, as are the other changes proposed for the TIFIA Program and innovative financing tools, to allow greater roles for the private sector—specifically with regard to freight and goods movement.

As you know, SAFETEA also assumes a greater role for the private sector and expanded State and local discretion in achieving national goals of connectivity and mobility.

Senator INHOFE. For the information of those who are here, the committee that is here before you is the Environment and Public Works. We've been talking about just the public works part but we also have jurisdiction over some 16 agencies including the Environmental Protection Agency.

I'm glad you mentioned streamlining and I'm glad, Commissioner, you mentioned CMAC which I think is a very important part of the legislation that will be coming up. I can assure you that Senator Cornyn and I are going to be doing what we can to make it much more reasonable than it has been in the past.

Senator Cornyn?

Senator CORNYN. Thank you, Mr. Chairman.

I'm glad you mentioned the jurisdiction of the committee because obviously in places like the Metroplex in Dallas-Ft. Worth, in places like Houston, Texas and other areas, we have concerns with the intersection of our transportation needs with environmental concerns. If I can just say for the benefit of everyone here, Chairman Inhofe has been a leader on making sure that environmental rules and regulations are based on sound science for which I applaud him and I share that view. We all want to make sure that our environment is clean, the air we breathe the water we drink for ourselves and for our families but it's another thing entirely to pass laws or regulations which have a tremendous negative impact on the ability of our economy to sustain growth and create jobs because we hope but cannot really established based on any scientific method, that the regulation or proposal will actually work to accomplish that end. So we are moving in that direction and I applaud the Chairman for his leadership in that area.

I wonder Mr. Frankel, you talked about some of the problems we've had in the past with earmarking funds that could be dedicated to improving the Borders and Corridors Program. Would you take a few minutes to expand on that and tell us what you think the best solution to that is? Is that contained in SAFETEA or are there other things we ought to consider or do to make sure money that really is intended by Congress to deal with the different and larger transportation challenges along our international border, that money is actually appropriated and allocated for that purpose?

Mr. FRANKEL. I want to proceed with some care and caution, when addressing two members of the U.S. Senate talking about earmarking. I do recognize that there are differences of opinion between Congress and the executive branch about the role of each in establishing priorities, and I'm respectful of that. I think balances have been struck in some programs.

I do think in what has been the combined Borders and Corridors Program, as I mentioned, all of the money has been earmarked. There is no opportunity for the executive branch to develop a strategic sense in the case of those programs I think of the five States that have the highest amount of funds received under TEA-21, only three are border States—Texas, Washington and I can't remember the third—Arizona, California and the other two States are West Virginia and Kentucky.

I think if Congress' goals and intent, whether it's in terms of the Borders Program which should be contained in legislation, should be very clear what the strategic goals should be but in terms of developing projects that can achieve those ends, it's not just a question of the Federal Government, it's really a question of States, States and localities particularly.

I might mention specifically, as I think you both are aware and I don't now what the outcome will be of the congressional process, but we have essentially recommended the elimination of most of the discretionary programs and instead pouring that money into the core highway programs or other core programs in which the money is allocated by formula to the States so the States in coordination with local officials, mayors and MPOs and so forth can develop the priorities that best suit their needs.

The Borders Program because it is relatively small still compared to the core programs is one that we would preserve as a discretionary program. I think hopefully and I know with your leadership and the Chairman's leadership, we can strike the right balance here.

Senator CORNYN. I understand your sensitivity in talking about the difference in perspectives sometimes that occurs between the different branches but I must say on this issue I believe our vision is the same and I think we need to better target the funding for the purpose not only for which Congress as a whole intended but also in a way that serves our economic and other needs in areas which are used to the benefit of the Nation and specifically here along the border region and NAFTA routes, other trade routes. That is one reason why I'm a co-sponsor of Senator Hutchison's bill, S. 1099 which I hope will remedy that.

Mr. Johnson, your remarks addressed environmental review and streamlining. Can you take a few minutes to expand upon the chal-

allenges you see to our goal to improve the transportation infrastructure in our State and at the same time address bona fide environmental concerns and some of the work your agency is doing in order to accomplish that?

Mr. JOHNSON. In private business, one of the benefits of listening to your customer is today they are demanding that you be environmentally sensitive and the same thing is applicable to our business. Our customers, who number 21 million Texas citizens plus a number of visitors to the State, are demanding the same thing and we are being extremely cautious in terms of our handling of sensitive environmental issues.

Sometimes our ability to handle those issues gets handcuffed to time delays and when project delivery is something that so keenly important in any project, one of the analyses I give is that the human race has been incredible in reproducing things. We reproduce body parts, we have cloned animals, we reproduce capital as business men and women but we have not learned to reproduce time and we probably never will. So when we are delayed in project delivery, it means that people are going to probably be stuck in traffic more than they would like to be and at times, it is something they can never get back.

Using that as sort of a framework to get projects delivered more quickly and in environmentally sensitive areas, the ability to do that is something we need whereby we can one, do projects, the environmental issues and the other fermenting issues, do them concurrently when we know there is a project of high priority instead of linearly when one is finished then you start the next approval process.

Second, we would want the ability to utilize our judgment as to what is environmentally sound. Here again, we are guided by the dictates of our customers as to what is environmentally sound and are extremely sensitive. I would say the other 49 Departments of Transportation think likewise.

What we have encountered is not so much overrestrictive but the difficulty in getting these decisions made and consequently what has happened is projects have been delayed, the starts have been delayed and thus completion has been delayed.

Senator CORNYN. I might just interject here. Chairman Inhofe unfortunately had to remind me to mind my manners and introduce my wife who is here with us today. Sandy Cornyn, my wife, is here with us today and I want to make sure on the subject of minding my manners that we expressly recognize the generosity of Dr. Julie Garcia, the President of the University of Texas at Brownsville for her hospitality. Thank you very much.

Mr. Stockton, I have one question for you. In my short time in Washington we seem to hear some who say the answer to all our problems along the border is increased use of technology and others say, you can't make enough gadgets to solve all the problems, you have to have more people and human resources committed to deal with these challenges. Would you comment on that, please? I know you are active in use of intelligent transportation systems. What is your view about the need for increased warm bodies along the border as well?

Mr. STOCKTON. It is possible that is a need, Senator. I think what is missing is a holistic view of how the system works. The system actually starts somewhere in interior Mexico with the loading of a shipment onto a truck and it ends with delivery of that shipment somewhere either in Texas or Oklahoma or somewhere else.

Right now, what happens is each of the stakeholders, not just public agencies but private stakeholders as well, has their own sphere within which they optimize their function. The difficulty with that is there are so many of them that you end up with a very suboptimal overall system. So there is the potential there for certainly the application of technology. I think there is a great opportunity for consolidating information exchange which is really what we need for international security and we need it for effective trade, information exchange. If we can consolidate that across the entire spectrum of stakeholders, it may very well be that the needs for more people really can be supplanted with technologies and systems that accommodate this broader perspective.

Senator CORNYN. I know it's a bit off the subject, but the other committee I'm proud to serve on with Senator Inhofe is the Senate Armed Services Committee. We have seen the use of technology in modern warfare such as we've never observed before in our lifetime in the conflict in Iraq in the use of unmanned aerial vehicles and some of the surveillance work that is necessary to provide for adequate border and homeland security as well. We are seeing the cross disciplinary uses and perhaps expanded use of technology in ways we never even imagined before.

Thank you very much.

Senator INHOFE. I thank the first panel, all of you for coming. I have to say, Secretary Frankel, you came the furthest and we appreciate it very much. We will dismiss you at this time but I hope you will stay around because afterwards, we will have a little news conference.

I'd like to invite the next panel to come up: Mayor Trevino, Mayor de la Garza, Mayor Franz, and Judge Hinojosa.

While they are coming forward, let me just expand a bit on something Senator Cornyn said and that is when I became chairman of this committee, I decided to try to do something that has never been tried before and that is to make the decisions of the regulators, such as the EPA, to be based on sound science. That sounds very logical to everyone here in Texas and Oklahoma but it's not logical in Washington. In fact, it's outrageous. Nonetheless, we are doing it. In fact, the longest speech I ever made on the floor of the Senate was 3 weeks ago on this whole thing on global warming. You almost have to come to the conclusion, speaking scientifically, that it's a hoax perpetrated on the American people. We are going to try to make sure the decisions that are going to be made are going to be based on sound science.

I would like to ask if you would confine your opening statements to 5 minutes. Mayor Trevino, we will start with you. I would make one comment, however, I mentioned to the three mayors earlier that I quite often remind my fellow Senators that the mayors are where it really is and the toughest job in the world is being mayor

of a city. I know that because I was mayor for four terms of Tulsa, Oklahoma.

Mayor Trevino, would you start off?

STATEMENT OF EDDIE TREVINO, JR., MAYOR, BROWNSVILLE, TEXAS

Mayor TREVINO. Good morning, Chairman Inhofe and Senator Cornyn and distinguished guests.. On behalf of the city of Brownsville and its citizens, I want to welcome you to a wonderful city and wish to convey our deep appreciation for your taking the time to visit us and allowing me the opportunity to testify before you today. I would also ask that the prepared statement be made a part of the record.

Senator INHOFE. Without objection.

Mayor TREVINO. Mr. Chairman, Senator Cornyn, through our partnerships with TxDOT, the FHWA, and others, the city of Brownsville and Cameron County have been able to accomplish some great things in recent years. In May 1999, the Veteran's International Bridge at Los Tomates opened for business. This facility has exceeded its projected traffic and toll revenues and is a wonderful example of joint government enterprise.

Unlike many parts of the United States, South Texas has a very young population base. In Brownsville, nearly 50 percent of our population according to the last census of approximately 150,000 is under the age of 24. Even with our developing economy, we are having a difficult time finding enough job opportunities for our young people. In spite of that, Brownsville led Texas in job creation during the second quarter. Also,

In spite of being one of the poorest regions in the entire country, we are experiencing rapid growth in our MPO area. For example, traffic volumes are increasing between 5 percent to 6 percent each year on many of our roadways. Volumes will double in an 18-20 year period. Congestion problems will become intolerable if we don't move ahead on making improvements.

It would be easy to ask for your help for the completion of any one of 10-12 new projects that I submitted in my written testimony that we sorely need in Brownsville. Each project is being designed to address critical infrastructure needs in our community. Some of these projects will help alleviate severe congestion problems. I'd like to mention few of those that you will hear about if not today in the near future: our East and West Loops here in Brownsville; the establishment of the U.S. 281 connector which would connect Farm Road 511 to U.S. 281 and also connecting of U.S. 281 project at the Far International Bridge, the west rail relocation and the Brownsville Port Bridge.

However, I want to take this opportunity to ask for some assistance on another important matter. TxDOT, with Federal assistance and help from the city of Brownsville, has completed improvements on U.S. 77 that meet interstate standards. Everyone here would acknowledge that U.S. 77 is a designated leg of the future I-69 corridor. We are currently not receiving interstate maintenance monies for U.S. 77 as the Federal law does not allow for such expenditures until U.S. 77 connects to an existing interstate.

The city of Brownsville previously purchased the land that was used for the Expressway extension to the border with Mexico. Now we are asking the Federal Government to help with this issue. However, the situation represents a very unfortunate oversight. We believe the language of the current Federal statute needs to be amended. Under the current language, our expressway has to be fully improved for 100 miles northward to connect to the Interstate System at I-37 near Robstown, Texas. At that time, the Secretary of Transportation could designate U.S. 77 as part of I-69. That is why we need your help to try to change this provision of the law.

One of the purposes of the interstate is to handle the NAFTA traffic. As we all know, we have been doing that for the last dozen years, especially here in Brownsville.

Our suggestion would be that Federal language could be amended in a way such as follows. If a highway segment meets all interstate design standards, and said highway connects to a U.S. deep-water port or to a U.S. Port of Entry, then the Secretary could be able to designate that highway as part of the interstate system. We would like you to consider this particular amendment in essence not penalizing us for our location on the border. The port of entry both in Brownsville and at the Port of Brownsville represents a huge Federal and local investment aside from the highway. It is my humble opinion that Brownsville should be treated as a gateway to Mexico, Latin America and Asia. Please help us change the statutory language on these matters. This aspect of I-69 certainly deserves Federal recognition and support as Brownsville is the only major seaport in the U.S. without an interstate connection.

The increase in container traffic the port and the city have experienced over the last few years will not incur a downturn in the coming years. Although we realize that F.M. 511 does not meet current interstate design standards, when it does, we would like for it to be considered a part of I-69.

I want to thank you for your attention and the invitation to testify before you today. We appreciate your time spent with us here today.

Thank you once again for the opportunity.

Senator INHOFE. Thank you, Mayor.

Mayor de la Garza?

STATEMENT OF CONNIE DE LA GARZA, MAYOR, HARLINGEN, TEXAS

Mayor DE LA GARZA. Thank you, Mr. Chairman and Senator Cornyn. Thank you for asking us to be here. We are certainly proud to be before you and I want to welcome you to the Magic Rio Grande Valley of South Texas, the Tropical Paradise of the United States of America. My name is C. Connie de la Garza, Mayor of the city of Harlingen, the third largest city in South Texas and the center of the Rio Grande Valley. I am serving my second three (3) year term as Mayor and have been involved in civic issues in the area for over 20 years. I ask that my testimony be made a part of the record.

Senator INHOFE. Without objection.

Mayor DE LA GARZA. The purpose of this hearing, to examine transportation investment along the Southern Texas Border, build-

ing upon the Transportation Equity Act for the 21st century, is certainly timely. To my knowledge we have never had a Senate hearing on transportation in South Texas. I commend you for being here to listen to our needs and desires.

The average citizen of Texas and the United States of America does not realize that approximately 1 million people live within a 35 to 40 mile radius of Harlingen between South Padre Island, Brownsville, McAllen, Rio Grande City, Roma and Raymondville, and that is the population north of the Rio Grande River International Border. A greater number that use our transportation infrastructure live south of the River.

The latest U. S. Census figures reveal that two of the top five fastest growing Metropolitan Statistical Areas in the Nation are here in the Rio Grande Valley of South Texas—Harlingen, Brownsville, San Benito and McAllen, Mission and Edinburg. A third one, Laredo's MSA, is just up the Rio Grande River from us. Thus, three of the top five (5) fastest growing MSAs in the United States are in the southern border of Texas.

Our No. 1 concern is the fact that the Rio Grande Valley of South Texas is the only area in the U.S. with over one million citizens that does not have access to an interstate highway. The nearest interstate is I-37 from Corpus Christi, Texas to San Antonio. Long range plans have U.S. Highway 77 and 281 being converted to Interstate 69 and that is good, but I just pray it is completed before my 3-year old granddaughter is old enough to drive. The point I am making is the legislation that created I-69 stated construction would start on the Rio Grande River and go North. We have yet to see anything happen other than the signs being placed that state "Future Corridor I-69".

Gentlemen, the future is now. Federal funds for a few overpasses on U. S. 77 between here and Corpus Christi, Texas and on U. S. 281 between Edinburg and Pleasanton would certainly give us Interstate access. This can be done as just stated by simply amending TEA-21 to allow Federal maintenance funds to be used on port entry highways and deep water port of entry highways providing they meet interstate standards. This is very important because since NAFTA, our commercial truck, as statistics show, has increased tremendously. All traffic has but the important thing is that the rest of the Nation and the world have discovered our business climate in the Rio Grande Valley and Northern Mexico is an excellent profitable climate. We have created many new jobs in industries in South Texas and northern Mexico. Adequate and efficient transportation would only enhance our job growth.

Mexico is one of our leading trade partners. In the past, highway infrastructure for south Texas and the border was often overlooked. We have received more Federal and State money in the last 5 years than we had in the last 20–30 years. For that, we thank you, but we are behind because of the lack of funding in the past and because of our tremendous population growth in the last 10 years which has averaged between 25 and 30 percent and is predicted to go up in the future.

What we need to not only on highways but also on railroads. We are in the process of partnership with Cameron County of relocating the railroads out of major cities and all towns in Cameron

County. We have also teamed up with Cameron County and together we are looking for money to locate the railroads out of our major cities. We must receive the necessary Federal help for the Cameron County railroad relocation plan in order to benefit all our citizens.

In closing, I would like to stress that Texas is a donor State, as Commissioner Johnson Stated, where we only get back 88 cents for every dollar we send in, 49th out of 50 States. We demand equity. I was happy to hear earlier in the hearing that what we are asking for, 95 cents, is what you are recommending. We are thankful for that.

I would like to commend the representatives of TXDOT that are present for doing a fantastic job with the limited resources they have, but with Federal money, we can do better and the local money would come with it.

I do thank you and your staff for having this hearing in south Texas. I trust you will leave the area with necessary information to make the right decisions. We commend each of you for an excellent job and we thank you. God bless you.

Senator INHOFE. Thank you, Mayor de la Garza.

Just to clarify, we will be taking up in our committee this reauthorization probably the second week after getting back. It was our intent to go straight to the floor and we are still going to try to do that. However, it may be October before we get that done. In our mark up, we will I am 99 percent sure be able to get it in there with the 95 percent which I know means a lot.

Mayor Franz?

STATEMENT OF JOHN D. FRANZ, MAYOR, CITY OF HIDALGO, TEXAS

Mayor FRANZ. Senator, welcome to the Valley. Both of you, it is great to have you here.

I'm the Mayor Hidalgo, Texas, a community on the Texas-Mexico border. We are one of many front doors to the United States along the great border of Texas and Mexico.

I am in my fifth term as mayor.

Senator INHOFE. How long are those terms?

Mayor FRANZ. They start at 2 years and we turned them into 4 year terms so we could get some work done but it's been 14 years now.

Senator INHOFE. You're not that old.

Mayor FRANZ. I've aged well. I've got a great wife.

Senator Hidalgo has 11 million crossings to and from Mexico. We are located in Hidalgo County, alongside the port of entry with over 700,000 annual commercial crossings. This area, as you heard from the other two mayors, my good friends and colleagues, has exploded in terms of population and commerce and there are significant needs here.

I am going to repeat what you have just heard. I-69 is a priority. The legislation is in place, the need is recognized but something needs to be done. I can't stress enough you won't find another area in the United States of America that has the population that we have in the Rio Grande Valley that does not have an interstate highway.

Mayor de la Garza said the future is now. It should have been here 20 years ago and we just have to place our trust in fine Senators like yourselves to take that message to Washington. This needs to be addressed, it is critical the reason being our proximity to Mexico. Our local economy, the Texas economy, is very dependent on Mexico. Mexico is our ally, is our friend. I said earlier, we at Hidalgo are a front door as is Brownsville, to our great country. We need to make these folks feel welcome and we need to ensure that the goods and the people coming from Mexico, the law abiding citizens, the law abiding businesses, can get their goods and their people into our country without any hassle and without any trouble. One of those components is highway infrastructure which is sadly lacking.

We applaud the efforts of TXDOT. They have done wonders to bring funds to south Texas which were not seen before but that is still not enough. A prosperous border is going to lead to a prosperous State and a more prosperous country. It makes sense for everyone.

One of the challenges we face is homeland security versus commerce and people coming in. While we respect what Washington is doing to secure our borders, we also recognize that you can over-react. Gentlemen, we've met the enemy and the enemy is not Mexico. So let's keep that in mind when we set up rules for the safety of our country. We will be the first to stand up for security but we need a more sensible approach, one that does not turn foreigners away, law abiding foreigners, foreigners who can bring tremendous benefit to our country.

I know you are familiar with South Padre Island, the lower Rio Grande Valley, Chairman Inhofe, and you know how dependent it is on Mexico and commerce and trade. We need to look and review these restrictions that Immigration has in place and Customs with regard to trade and people and evaluate them in terms of the economic impact, at the same time recognizing security.

On the environmental issue as well, Hidalgo is partnering with Mission and McAllen for the creation of Ansel Lewis Bridge Crossing. This is an environmental hearing of sorts. One of the things I noticed in dealing with Washington and over 40 agencies and trying to obtain a Presidential permit is there are so many requirements, they conflict with each other, they overlap and we really need to evaluate that, whether it is building a highway, constructing a bridge, an international crossing, we need to carefully evaluate that.

We are all for protecting the environment but you have to balance that with good common sense and what is required to provide us with the highway infrastructure that we need to serve the trade community.

You have heard the testimony of the prior mayors. It is all going to be pretty consistent. We feel we have been overlooked for decades. We appreciate your being here. I have full confidence and faith that this is going to be the beginning of greatness for south Texas and it will be because of the help of yourself as Chairman and Senator Cornyn.

If there is anything we can do here in the Valley or the city of Hidalgo to help you further this message, we are at your disposal.

Thank you.

Senator INHOFE. Thank you, Mayor Franz, an excellent statement.

Judge

STATEMENT OF HON. GILBERTO HINOJOSA, JUDGE, CAMERON COUNTY, TEXAS

Judge HINOJOSA. Thank you, Senator Inhofe and Senator Cornyn for being here today.

Senator Inhofe, I would just like you to know for the record that 25 miles from where we're located, it is illegal to wear a tie on South Padre Island, so you appropriately dressed for a nice visit over there later on.

Senator Cornyn and I served together in the State of Texas many years ago as State district judges and probably neither one of us thought we would be here today talking about the infrastructure needs of south Texas and the great State of Texas but we are here. We are very much appreciative that you came to talk to us today about these most important issues that face our great State and community of south Texas.

Over the last decade, Texas has passed New York to become the second most populous State in the United States. Rising birth rates and the influx of millions of new residents have caused our State's population to swell to more than 21 million persons. During that same period Cameron County has seen its population grow by 29 percent, from 260,000 to 335,000. We are the eleventh largest county in the State of Texas out of 254 and if you count the ones in between, you know we are big relative to the rest of the State. It is easy to see the demands that growth has placed upon our infrastructure and the explosion of sustainable economic development in our communities.

Although Cameron County is one of the few communities in the United States to have four modes of transportation of trade: sea-ports—three of them, airports—two of them, rail and international bridges as well as highways, Cameron County does not have direct access to an Interstate Highway, but I'll address that in greater detail later but I know you have heard about that from every single speaker you hear from today.

With the rapid development of NAFTA, our system has been overburdened due to an increased utilization of all modes of transportation. Like many border counties, Cameron County suffers an extra penalty from rapid growth because it is caught between two worlds. While sweeping economic changes and swift urbanization pull our region toward the future, the existing infrastructure is unable to keep pace. Compounded by dwindling availability of State funds, our local community is left to solve the problems created by increases in traffic and the subsequent congestion.

I want to discuss with you today is the reauthorization of TEA-21, now called The Safe, Accountable, Flexible, and Efficient Transportation Equity Act or SAFETEA. It is critical that SAFETEA addresses our existing and future needs, since this will be the only vehicle for new transportation projects over the next 6 years.

There are several issues that I would like to point out regarding SAFETEA and its construction. First, new language must be in-

cluded that will provide funding for the maintenance of highways that meet interstate standards and connect international ports of entry and seaports. This will allow us to access vital funding and spur development that is not currently available through TEA-21.

Second, a narrower scope needs to be defined for international trade corridors. The Borders and Corridors Transportation Funding program was established to help border communities, and communities along international trade corridors, handle the increased traffic they faced from growing NAFTA trade. Unfortunately, the funding was heavily earmarked causing fewer dollars to be available for them and true international trade corridors. The resulting funds were diverted to the interior of the country and other non-trade international corridors. Shockingly only 14 percent of this funding ever made it to border communities.

We need your help to stop these diversions and redirect the money to its intended destination, the border areas. Border communities and international trade corridors play an important role in the overall national transportation system and they warrant their own programs and separate funding streams. Significant increases in funding levels, or even the percentage of funds available, for borders should be dedicated to communities that move the goods from border ports of entry to the national highway system. These funds could even go so far as to help with the implementation of the new and creative measures aimed at increasing security of our homeland.

You've heard everyone talk about the fact that we have a million people and 1.5 million south of the border adjacent to us, 2.5 million people within a 50 mile radius of Harlingen and Westlaco, yet we don't have access to an interstate system. It is critical for the development of not just this community but for the whole State of Texas that we start working toward that goal and that we dedicate additional funding for the I-69 for the State of Texas as well as south Texas.

I don't want to get into that too much because you are going to hear it over and over but that is probably our No. 1 priority when it comes to infrastructure programs.

The final issue I would like to address is the consolidation of our railroads here in Cameron County. Cameron County has developed a plan that includes relocating existing rail lines and virtually bypasses the cities of Brownsville, Harlingen and San Benito, eliminating problems of congestion, safety and all the problems that go along with that. We would like to ensure that you support funding programs like S. 1329 which was introduced by Senator Lott that will dedicate and provide money for railroad relocation programs similar to Cameron County's.

I want to end with this. We are willing to do our part. I think Commissioner Johnson talked about the regional mobility authority. We raise local moneys to provide a matching amount of money to fund some of these infrastructure projects, including the creation of an interstate highway here in Cameron County and the rest of the Rio Grande Valley. We are in the process of putting together a regional mobility authority. That will set up a vehicle to obtain local moneys through tolls charged at the different infrastructure projects we intend to help fund through those programs because we

know it is a two-way street. We are coming to you and asking for help, we are coming to the State asking for help and we are willing to do our part as well.

Thank you very much and by the way, I know you mentioned something earlier Senator Inhofe about how we can work together with private enterprise like our railroads to try to put together infrastructure projects that will benefit not only the local community but the private enterprise. I can tell you whenever you get a chance how we are doing it here in Cameron County and ensuring we get moneys from the railroads, moneys from the cities, moneys from the Federal Government and the State and the county to put together a project to relocate these railroads out of our communities, yet allow them to continue to remain to provide transportation and access between our country and Mexico in a much needed way.

Senator INHOFE. Thank you, Judge Hinojosa. I appreciate your comments and the fine work you are doing.

To all of you, I would say—and you mentioned this Mayor Franz—that the problems you have in this mirage of all the different agencies and the proliferation of all these different requirements we have, having been a mayor for four terms, I understand that, along with unfunded mandates. We are going to try to actually do something about that and run things differently than they have been run before.

You talked about a lot of specific projects. As you know, that is going to be more up to you guys here in the State of Texas and that is the way it should be. What Senator Cornyn and I have to do on behalf of the committee is to understand the overall State of Texas and the problems you have that are unique to Texas, and they are unique. This is where it all begins, right here in the Valley and that's why we are having the hearing here.

There are some things we intend to do in the separation of the borders and the corridors but they will be dramatically increased in terms of their funding. As I mentioned, the 37 percent increase if the bill stays as it is today would put you as only second in the Nation in terms of the increases that I think are justifiable. That along with the donor status and other things you've mentioned, we will be your friends on that.

Senator Cornyn?

Senator CORNYN. Thank you, Mr. Chairman.

Every time I hear you say 37 percent increase, I just want to savor that for a little while because we have a lot of work to do to achieve that objective.

Senator INHOFE. Let me make sure everyone understands that this is where we are working today, we are working on formulas and we are prepared to go in right now with the mark-up and that's the area in which I believe we will end up.

Senator CORNYN. Thank you for that.

For my friends and the members of this panel, I just want to make one observation and one request. Then I will basically be through. My observation is that having been involved in State government since about 1990, it seems like we've seen a change in attitude with regard to the Valley and funding for necessary services in the Valley, and an encouraging increase in the level of responsi-

bility State officials have taken toward the needs, whether health care, transportation or the like, in south Texas including the Rio Grande Valley.

For that I think a lot of credit is due to former Governor, now President Bush, Governor Rick Perry, the leadership of Johnny Johnson and the members of TXDOT and the members of the Texas Senate and the Texas House of Representatives. They have worked hard I think to finally accept that this is not just a local responsibility, it is a State responsibility.

Having said that, I wish I could keep such glowing praise on the leadership in Washington, DC. for taking responsibility for conditions along an international border. That is why I think this is such a positive development that we are actually having this hearing today because Chairman Inhofe is willing to use his leadership position to help advance the cause of this international region and not just leave it up to the border States and not just leave it up to local governments which I think Mayor Trevino observed are historically some of the most underserved regions of our State and present some of the greatest challenges.

That is my observation. My request is this. I think your requests have been pretty cohesive and very similar in some respects but obviously there is going to be some competition and some rivalry in the Valley for different projects, whether they be if the Texas Department of Transportation in Austin or in the nature of congressional earmarks and that sort of thing but I would just encourage you to do what I think you are already doing but I would encourage you to do it even more and that is work together and try to come up with a plan that represents the considered best interest of all of your constituents here in the Valley. As a unified effort, I always think we have a better chance of getting something done when we compete against each other and when it becomes a win-lose as opposed to a win-win, that creates problems for all of us. I'm just telling you what you already know but I would encourage you and make that request that you continue to work together in the best interest of our constituents here in south Texas and I think we will be able to accomplish something great.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Cornyn.

With that, we will dismiss this panel and thank you very much for being here today.

We will ask our next panel to come forth: Mr. Sam Vale, Mr. Pat Townsend and Mr. Bill Summers.

First of all, we want to try to adhere to our timing. If you would identify who you are representing so that we will better understand that, we will start with you, Mr. Vale.

**STATEMENT OF SAM VALE, PRESIDENT, STARR-CAMARGO
BRIDGE COMPANY ON BEHALF OF THE BORDER TRADE AL-
LIANCE**

Mr. VALE. My name is Sam Vale and I'm here testifying on behalf of the Border Trade Alliance, as chair of the Strategic Planning Committee.

In my real life, my company owns and operates an international bridge port of entry as well as I am the CEO of the local Telemundo Spanish language television affiliate.

We also have submitted written testimony and would ask that become a part of the record.

Senator INHOFE. Without objection.

Mr. VALE. The organization I am speaking on behalf of was founded in 1986 basically on the basis of complaints Senator Graham gave to us that he was tired of hearing the same comments from Brownsville, McAllen, Laredo and El Paso and we weren't working together. Much along the lines you recommended we work regionally, he said the whole State needed to be working together.

We thought we could take that a bit further and we have this wonderful idea of trying to get together all along the border and said, why don't we get the people from New Mexico, Arizona and California together. They have to have some of the same problems and we thought we really had something good going. I'm going to paraphrase something my father used to say, "Son, that's a darned good idea but it's just not worth fertilizing." Everyone said, why? I'm using the Senate as an example, if everybody agreed, if Senator Cornyn and Diane Feinstein agreed, and everybody voted together, you'd only have eight guys. That and maybe a five dollar bill will get you a cup of coffee in Washington, DC.

So we went a little further and decided to look along the northern border and we found 16 States up there with 32 Senators. We said what if some of those guys would work with some of the guys on the southern border. We got a bigger group but still didn't get them all. We still don't have what you'd need to pass anything.

It wasn't until we got to the point of looking at trade corridors when we were able to add the icing to the cake and that is when you look at the five major ones, the I-5 in California, the Cana-Mex, the Port DePlaines, the I-69 and the I-35 corridors, all of a sudden you have a potential majority. That's been the founding principle behind what this organization tries to do, so we speak in much broader strokes than just a region. We talk about it as trade power. That is the basis on which I am testifying here.

We were very supportive of the Homeland Security Department's creation. In fact we met with then Governor Ridge in October right after 9/11. We have had over 11 meetings with him since that time.

We all heard the testimony and you know very well the Borders and Corridors money was created in 1998 as a symbol because it really wasn't money to do anything. Let's talk like it really is, \$140 million with two borders and corridors you couldn't build an overpass. The idea was symbolic but it was a great symbol. For the first time we had something that we called Borders and Corridors.

Then what happens is we broke it down to where we had some people calling themselves corridors and others calling themselves borders. The results you have heard, 86 percent of the money went to corridors which were not involved in the border area, 14 percent nationwide went to border areas. We feel something has to be done in that area.

You've already addressed the issue of earmarking. What happens with the earmarking is that the stronger communities win the

votes because you've got more people. That's part of life in Washington but we would encourage it to be something like it was originally proposed, a competitive process.

We also feel that it should be a different type of allocation now. My organization says 50 percent of the money ought to go to corridors and 50 percent to borders. Personally, I think all of it ought to go to borders and corridors. I think you ought to have a corridor for the border defined as something within 50 miles of a port of entry and you give it more buoyancy if it serves more ports of entry.

For example, both U.S. 77 and 281 can serve up to four and a half each ports of entry if those people are given funding to do that, get those connections in there. Use the other part, the borders money for connecting to the ports and getting in and out of those. They are not going to be interstates, those are going to be local streets or State highways. That would alleviate a national issue because as the man from the Institute pointed out, the money goes from south to north.

Finally, we would like to say that there are some things we need to do. You have MPOs, those MPOs have money but we don't connect the dots between the MPOs. We don't have the small communities between those big urban areas planning and working along with the big communities. Funding ought to be on the basis of need. We have twice the population on the Mexico side, Laredo crosses most of the traffic. They get 1 percent of the population. How does that work? How does that add up?

Finally, we will point out that we think the whole concept of homeland security is important. The regulatory process we go through to establish it needs to be economically sound. We are very supportive of that, are very willing and are working very closely with Secretary Ridge's staff now to try and develop position papers that will be beneficial to that.

We look forward to answering questions.

Senator INHOFE. Thank you, Mr. Vale.

Mr. Townsend?

STATEMENT OF PAT TOWNSEND, PRESIDENT/CEO, MISSION ECONOMIC DEVELOPMENT AUTHORITY

Mr. TOWNSEND. Chairman Inhofe and Senator Cornyn, we appreciate your visit here today and accepting our testimony and our views.

My name is Pat Townsend. I am the President of the Mission Economic Development Authority, an organization created by the city of Mission and charged with continuing to foster growth as part of the MSA which has been in the Nation's top five according to the U.S. Census Bureau over the last 5 years and really in the top five for the past 10 years.

One of the activities we are engaged in in this MSA that impacts transportation needs is Sharyland Plantation being developed by Hunt Valley Development, a 6,000 acre master plan community with residential, retail, multi-family and more importantly for our discussion today, a 900 acre business park much of that in a foreign trade zone status.

Several companies, such as Symbol Technologies, Black & Decker and T-Mobile, already have begun operations at the business park. All these companies have connections to Mexico which you have heard today how important their ties are to the United States from a matter of trade. These companies and this business park play an increasing role in that increased trade activity.

Some of these businesses are involved in expediting products being shipped from other States into Mexico and others take products, assemble them in a finished product and ship them back into our country. As an example, Whirlpool is one of six companies in the McAllen/Reynosa area choosing a campus environment to create 40–60 acres in size with end products resulting in as many as 100 trailers outbound from each campus, and nearly as many inbounds. Some of Whirlpool's sub-assemblies are northbound through the heart of Texas to Tulsa, your hometown, Mr. Chairman, where Oklahomans turn them in to finished products for consumers all over the country.

In spite of trends elsewhere in Mexico, we expect even more companies to join Whirlpool, Corning Cable and Maytag that express confidence in Reynosa because Reynosa is the only city in all of Mexico not to show a loss in jobs in the maquiladora industry. So, our continued growth is linked to the economic growth of other areas in Mexico, Texas and in many parts of the U.S.

Another important link in the Valley that will impact trade and our highway system is the proposed Anzalduas Bridge. Mayor Franz touched on it. The city of Hidalgo, and the cities of McAllen and Mission are partners in this effort along with TXDOT and Federal agencies and more importantly with our partners in Mexico and the city of Reynosa.

This new bridge will have a direct impact on the Sharyland Plantation by providing another connection to their growing business park and more importantly, to a landowner, Grupo Rio San Juan, owner and developer of approximately 16,000 acres of land containing the Mexican port of entry and a master planned community containing a large and growing industrial park, Parque Villa Florida, complimenting that of the Sharyland Business Park. Their business park has a tenant, Black and Decker, whose presence in our area has already encouraged suppliers to locate on both sides of the border.

The Anzalduas Bridge is important we believe because of its proximity to U.S. Expressway 83 and future I-69. Ultimately there is a 12 mile separation between the Autopista tollway linking Reynosa to Monterrey, Nuevo Leon. Monterrey is the industrial capital of Mexico, with over 4 million inhabitants only 120 miles away. Our existing bridges strain to handle the current volumes of traffic, especially trucks and we believe Anzalduas will serve to expedite moving trade back and forth. As you know, trucks waiting at the border mean higher costs and lost profits for the companies involved.

As you heard today, our interstate service is extremely important for the valley. We are the single largest populated area as many have already said. We think it is vitally important that we get this link.

One of the things we'd like to point out to you is that in the Valley we are already handling levels of truck traffic comparable to other areas having interstate service with over 10,500 trucks on interior segments of U.S. 281 on any given day, that is comparable to I-10 in Harris County and I-45 in the Dallas area.

You've already heard our group express its support for TEA-21 and its reauthorization and we stand here to assist in designating highways that will connect U.S. deepwater ports and U.S. points of entry to the interstate system.

You've also heard about railway realignments and additional east/west corridors. U.S. Expressway 83 is being expanded but in spite of being expanded is at near capacity with the tremendous growth you've seen in population and trade.

Mayor Franz touched on the importance of streamlining environmental processes and coordination among the many agencies and Federal Government needed for these vital projects to occur. We are working to work with you in any way to help streamline that with our additional ideas.

We have also expressed concern about our daily activities involving homeland security measures and immigration policies. We have talked to Senator Cornyn about that and we hope that we will be included in future policy discussions as it results in transportation issues because of that implementation.

We cannot stress enough how important it is that you be cognizant of the historical, cultural and family connections on both sides of the Rio Grande as you deliberate these issues.

We also thank Commissioner Johnson for his work here today and work he has provided through his agency. We are ready to help educate our region regarding Proposition 14 and how vitally important it is.

Again, I thank you for being here and working on behalf of our community.

Senator INHOFE. Thank you, Mr. Townsend.

Mr. Summers?

STATEMENT OF WILLIAM SUMMERS, PRESIDENT, RIO GRANDE VALLEY PARTNERSHIP/CHAMBER OF COMMERCE

Mr. SUMMERS. Thank you for being here in the beautiful Rio Grande Valley.

My name is Bill Summers, President and CEO of the Rio Grande Valley Partnership, the only regional chamber of commerce in the State of Texas.

Senator Cornyn, you did an outstanding job as attorney general of the State of Texas. I'm so proud to be a friend of yours and we appreciate you. You made a commitment when you had your campaign to help the Rio Grande Valley and you're keeping your word. We really appreciate it.

I had some prepared remarks but you have heard them all, but I do want to talk to you a minute. I do want to introduce you to a couple of people because they sign my paycheck. That is our Chairman-elect from Harlingen, Oscar Garza from Bradley who owns the plants. Without the plants, maybe we wouldn't need bridges but it is very important to us. The jobs they provide over there, several hundred thousand, would not be here, they would be

in the Far East somewhere. People like Oscar Garza have faith in the Rio Grande Valley and our border.

Johnny Johnson, the chairman of the Highway Commission, is a great guy and it is good to see you again. Tell them one of these days about that airplane ride you had down here.

Senator Cornyn mentioned he would like for us to work together. We have been since 1990. You have in our testimony our map and our new mobility plan for the Rio Grande Valley for the year 2003 to 2030. This is the third plan we've put together starting in 1990 when the Highway Commission came to the Rio Grande Valley and said, you guys have to start working together. All the gentlemen here, the mayors, the judge, came together for the third time. We just completed this and made a presentation last month or a couple of months ago to the Highway Commission.

They put in their time, their effort, their cities' money and we came up with this plan. We worked with the MPOs, we worked with Mario who is our district engineer, a great guy and put together the plan. It is something we can all be proud of, something we feel the Highway Commission accepted and will work with us, as much money as they have.

When Senator Hutchison added our two highways, 281 and 77, introduced the bill to be part of Corridor 18 which is I-69, it was a great moment to see the little bitty boy from down in the Rio Grande Valley hear this U.S. Senator say we want this to be part of this Corridor 18. The people in Washington are being good to us, Senator. I know you think a lot of the valley and Senator Cornyn. We appreciate your having taken the time.

I'd also like to introduce Paul Cowan, the chief of staffer. Senator Lucio is in New Mexico looking at highways.

Senator INHOFE. But not in Lawton, Oklahoma.

[Laughter.]

Mr. SUMMERS. I was so proud of our mayors and in fact, Sam Vale was the President of the Valley Partnership when they hired me and he's never regretted it, I don't think.

Working with these people all the time, Senator, they are great people and our State officials with the highway department are great. We appreciate your coming to the Valley and have a safe trip back.

Senator INHOFE. Thank you, Mr. Summers. One thing I have observed and can take back with me is the idea you are working together. You guys are even talking to each other. That's one of the problem you have that you started out with Mr. Vale. You were very articulate in that and how to put together these coalitions. I was glad you didn't use the duo of Senator Cornyn and Senator Boxer but as you get around the country, don't forget Oklahoma because we are a very integral part of that. As you go through these corridors, remember the map that was up here because it's very important that we are kind of all in this together.

Mr. VALE. I love Oklahoma except 1 day a year.

Senator INHOFE. I appreciate very much the time you are spending with each other working on these things and I can assure you we will try to be of some help to you.

Senator Cornyn?

Senator CORNYN. Thank you, Mr. Chairman.

I want to thank each of the panel members for your contribution. As Mr. Townsend mentioned, I had a good meeting beginning yesterday on some of these infrastructure issues. This has come up a number of times tangentially but I want to acknowledge how transportation infrastructure issues cannot be considered in isolation from other issues that are so important to the Valley, whether they be immigration issues, homeland security, border security issues, obviously our continuing war on drugs and other security matters. So it's sort of a complex set of issues.

The fundamental issue is if we don't have the infrastructure in place, then none of the other good things the Valley is benefiting from, the free flow of people whether it's tourists who want to come to south Texas and vacation or people who want to spend their money here, or transportation from Mexico up to Texas through Oklahoma and up to Denver and the ports to planes corridor and the creation hopefully of an Interstate Highway 69 system that will provide that link for the Valley to the rest of the country.

I want to say thank you for your contribution, for your willingness to labor so long and hard for relatively little and the contributions you make to this wonderful community. I've come away very encouraged but you also have my commitment that I will continue to do everything I can do. I know Senator Inhofe shares that commitment to try to make sure that Texas is treated fairly and that any oversight that may have occurred in the past is corrected as we go forward.

I just have to say one thing. Mr. Vale, you said you need to get a certain critical mass of Senators. Well, I would say even more important than that is to have the Chairman of the Environment and Public Works Committee in south Texas today.

With that, I just want to express my gratitude again to Chairman Inhofe for his willingness to be here and his commitment to making sure Texas gets a fair shake when it comes to reauthorization of TEA-21 and addressing so many of these critical issues as we go forth.

Thank you very much.

Senator INHOFE. I would just add to that I've spent quite a bit of time seeing Don out here at the Port of Brownsville. A lot of people aren't aware that my hometown of Tulsa I believe is the most inland port. I actually see the barges that come in down here from Tulsa, Oklahoma. So we have this tendency to say this is a problem of south Texas but this is a problem in California and we are all in this together.

It's been very helpful also for our staff. Our committee staff is down here. It's a lot different when you read a report and when you can reach out and touch something and see it, and see the cooperation that you folks have working with each other. I can assure you that you are well represented in Washington and certainly well represented on the committee I am honored to chair.

With that, we will adjourn the meeting and look forward to visiting personally with you folks.

Thank you very much.

[Whereupon, at 12:08 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. EMIL H. FRANKEL, ASSISTANT SECRETARY FOR TRANSPORTATION
POLICY, DEPARTMENT OF TRANSPORTATION

Chairman Inhofe and Senator Cornyn, thank you for the opportunity to appear before you today to discuss border transportation.

There is no better place to hold such a hearing than in the State of Texas, and there are not many issues more important in transportation than those associated with the movement of goods and people across our vast land borders in the South and North.

President Bush knows well the transportation needs for the State of Texas, including the myriad of issues that border traffic creates. His leadership both as President and as former Governor of Texas has focused on the value of a strong transportation system. Secretary Mineta has also been a leader on border issues throughout much of his remarkable career in transportation.

With Mexico recently surpassing Japan as America's second largest trading partner, Canada and Mexico now stand as the biggest and second biggest trading partners for the United States. Together, they represent almost 35 percent of total U.S. imports and exports.

While Canada is the United States No. 1 trading partner, the U.S.-Mexico trading relationship has experienced recent dramatic growth. When the North American Free Trade Agreement was implemented in 1994, exports to Mexico constituted less than 10 percent of total U.S. exports. In less than 10 years, exports to Mexico have soared over 70 percent and now represent more than 14 percent percent of total exports. Total U.S. trade with Mexico increased 186 percent in the first 8 years following NAFTA implementation.

The two major trade agreements from the 1990's, NAFTA and the Uruguay Round, are producing between \$1,200 and \$2,000 in annual benefits to the average American family. And one out of every 12 American jobs depends on trade. In 1973, international trade in goods and services represented just 13.2 percent of total U.S. Gross Domestic Product. Today, that number stands at 23.5 percent.

Nowhere has this growth been felt more strongly than in Texas, Mexico's largest trading partner. Texas ports, bridges and airports handle over 70 percent of all U.S. exports to Mexico. Texas ports handle 85 percent of total Southern Border train crossings and 87 percent of rail containers. In 1994, there were less than three million truck-crossings at the U.S.-Mexico border. By the year 2000, the number was approaching four and a half million. Much of this traffic is handled by just four locations in Texas: Laredo, El Paso, Hidalgo and Brownsville. As President Bush's vision for a Free Trade of the Americas comes closer to reality, the Mexico-U.S. trade relationship, and consequently, the state of the Mexico-U.S. border, will grow even more crucial to the economic well-being of both countries.

Given these recent trends, the timing is ripe to address border transportation issues in the context of the reauthorization of the Transportation Equity Act for the 21st Century. The Bush Administration's recently released reauthorization proposal entitled the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003 (SAFETEA) offers several proposals to improve the flow of people and commerce across the Mexican and Canadian borders.

Most importantly, SAFETEA would replace the current National Corridor Planning & Development Program and the Coordinated Border Infrastructure Program (NCPD/CBI) with two separately funded programs both administered by the Federal Highway Administration (FHWA). TEA-21 funded NCPD/CBI out of a single source. A history and detailed discussion of the trends over the life of the program under TEA-21 was just recently placed on the FHWA website at: <http://www.fhwa.dot.gov/hep10/corbor/ncorbor.htm>.

The underlying concept of TEA-21's NCPB/CBI was simple, yet insightful: recognize the trend toward a north/south orientation of trade flows under NAFTA and designate resources to remove bottlenecks and facilitate the trade. While visionary, the program did not live up to its potential under TEA-21. Specifically, important border projects too often were unable to obtain funding under TEA-21. In 2003, only 5 percent of the combined NCPD/CBI went to border-related activities. Only two Texas border projects received program awards in fiscal year 2001 and 2003 and one in fiscal year 2002. Moreover, every award under NCPD/CBI was congressionally designated in fiscal year 2002 and fiscal year 2003. As a result, the Secretary has been stripped of his ability to implement any coherent strategy to improve border transportation operations.

SAFETEA proposes to increase the focus on land borders through the establishment of a new Border Planning, Operations, and Technology program (Border Program). The purpose of this proposed program is to improve bi-national transportation planning, operations, efficiency, information exchange, safety, and security for

the U.S. borders with Mexico and Canada. SAFETEA would authorize \$496.5 million over the life of the bill for the Border Program. In fiscal year 2004, \$47 million of these funds would be used for construction of State border truck safety enforcement facilities in Arizona, California, New Mexico, and Texas, fulfilling a 3-year commitment for this purpose and helping to prepare the way for eventual safe implementation of NAFTA's commercial truck and bus access provisions.

Eligibility under the Border Program would be restricted to States and MPOs at or near the borders of Canada and Mexico. The proposal envisions a wide range of eligible border activities such as improvements to safety inspection and port of entry facilities; enhanced technology and information exchange; planning and environmental studies; technology facilities improvement implementation; and right-of-way acquisition, design, and construction related to safety and technology improvements.

The Secretary would retain discretion to allocate funds under the SAFETEA proposal given certain selection criteria. Those criteria include the benefits of the project relative to its costs, the prospects for early completion of the study or project, strong support from bi-national organizations, the existence and significance of signed and binding multi-jurisdictional agreements, contributions from other sources over and above the minimum required, and the extent to which the project benefits are multi-modal. The Federal share payable on account of any project carried out under this proposal is capped at 80 percent of the total costs of such project.

SAFETEA also includes a new Multi-State Corridor Planning program. This program would emphasize multi-State planning efforts. The proposed program would provide an opportunity for States and regional agencies to plan jointly for a variety of geographic areas, in addition to traditional metropolitan or statewide areas. The principal objective would be to address the gap created by formula programs, which do not provide specific funds for multi-State, multi-modal, and multi-jurisdictional decisionmaking on corridors. SAFETEA would authorize \$496.5 million for the program over the life of the bill.

Although the aims of the NCPD/CBI program have not been fully realized over the life of TEA-21 due to the practice of congressional designation, the program receives a high level of interest from States and MPO's and has made significant contributions to our national transportation system. From shortening the time spent crossing the U.S. borders with Canada and Mexico to improving roads in high-traffic trade corridors, projects funded by the NCPD/CBI program contribute to economic growth and more efficient travel across the country. The NCPD/CBI program also encourages multi-State project efforts.

The success of the NCPD/CBI program may be seen in projects such as the World Trade Bridge in Laredo, Texas. Few cities have been forced to address the transportation implications of growth in U.S.-Mexican trade more than Laredo. Approximately 35 percent of all incoming trucks and nearly half of all incoming trains to Texas pass through Laredo. With the downtown Laredo Juárez-Lincoln Bridge stretched to capacity, Mexico, the State of Texas, the city of Laredo, and the city of Nuevo Laredo began planning in the late 1980's for a new bridge outside the central business district that would carry commercial traffic. By 1993, the bridge project and various other improvements to highways, ramps and other facilities that would serve the crossing were placed on the Texas multi-year transportation improvement program.

In 1995, a comprehensive funding agreement was reached. With traffic backups on the existing bridge reaching four miles on many occasions in the late 1990's, timing was of the essence. The total cost of the new bridge and related improvements was approximately \$100 million. The State of Texas provided about 35 percent of the total cost including short and long-term State Infrastructure Bank (SIB) loans made available by the State and Federal Government. Federal aid amounted to another 65 percent comprised of formula funding and a \$6 million discretionary grant from the NCPD/CBI during fiscal year 1999. The city of Laredo and other local government sources together provided the right of way (ROW) property and easements necessary for the construction of the project. The city of Laredo also participated with short and long-term SIB loans. Although the bulk of financing came from other Federal and State sources, the \$6 million NCPD/CBI contribution was an important boost to the project.

The new bridge opened on April 15, 2000. Crossings typically now take about 5 minutes between the time the vehicle leaves the Interstate main lane and the time the vehicle crosses into Mexico. Local traffic moves much more efficiently and traffic safety in the area has improved. Many new businesses have located along the highway and Laredo experienced substantial job growth in fiscal year 2001, due in part to the business opportunities created by the new bridge.

Some construction projects currently in progress that have benefited from NCPD/CBI funds include the FAST (Freight Action Strategies) corridor in Washington

State and the Bridge of the Americas and the Paso del Norte Bridge between El Paso, Texas and Ciudad Juarez. The FAST project will replace a number of highway/rail grade crossings with grade separations will improve safety, relieve congestion, and improve operation of the water ports and rail lines. In El Paso, a modest expenditure (about \$3 million for each bridge) will improve physical inspection capacity on each bridge by as much as 40 percent.

While the proposed Border Program is the most specific border program contained in SAFETEA, it is not the only proposal that can improve the efficiency of our borders. SAFETEA eliminates most discretionary highway grant programs and makes these funds available under the core formula highway grant programs, thus giving States and localities tremendous flexibility and certainty of funding under core Federal-aid highway programs. States like Texas have used these core program funds in the past to address border transportation issues, and SAFETEA proposes to increase the percentage of Federal transportation assistance that is funneled through these flexible programs. Because of its significance to the Nation, however, one of the only new discretionary programs proposed in SAFETEA is the Border Program.

As the successes of ISTEA and TEA-21 have shown, State and local decisionmakers have the greatest capability to address State and local transportation problems. The success of the World Trade Bridge project in Laredo hinged on sustained involvement and leadership from the city of Laredo and the State of Texas, as well as FHWA. SAFETEA continues this principle and expands upon it. The Federal Government can facilitate and enable State and local transportation decisionmakers, while bringing multiple States and localities to the table in addressing regional and national issues.

SAFETEA also establishes a new performance pilot program under which States, including States with significant border activities, can manage the bulk of their core formula highway program funds on a performance basis, cutting across the programmatic lines by which the Federal-aid highway program is normally structured. Under the pilot program, States would work with the Department to develop and meet specific performance measures that reflect both State and national interests.

We all know that it takes a long time to take a transportation project from concept to completion, and this Administration is committed to streamlining this process. Border projects in particular can be extremely complex and difficult to complete. Projects that were cutting edge while in the concept stage too often end up turning into "catch-up" projects after years of delay.

The Department has made great strides in addressing those delays related to environmental review, including better coordination during the environmental review process, and other improvements that have resulted from implementing the President's Executive Order on Environmental Stewardship that was issued last fall. However, certain legislative changes are necessary. In the environmental review area, SAFETEA provides a menu of solutions, all of which should help reduce the time it takes for a sponsor to deliver a transportation project. These include:

- Strengthening the provisions of current law that establish timeframes for resource agencies to conduct environmental reviews and make decisions on permits;
- Improving the linkage between the transportation planning and project development processes;
- Simplifying the processing of Categorical Exclusion approvals;
- Clarifying the legal standard under "section 4(f)" applicable to determinations as to whether a possible project alternative is feasible and prudent;
- Resolving the current overlap between Section 106 of the National Historic Preservation Act and "section 4(f)";
- Establishing an exemption for the Interstate Highway System as an historic resource, unless the Secretary deems an individual element worthy of protection under the National Historic Preservation Act.
- Providing for timely resolution of outstanding legal disputes by establishing a 6-month statute of limitations for appeals on the adequacy of projects' environmental impact statements and other environmental documents; and
- Expanding the ability of States to provide Federal-aid highway funds to resources agencies to expedite the environmental review process.

Improving the movement of freight and goods is a top priority of SAFETEA. Recent estimates indicate that Import/Export Freight Tonnage could double by 2020 and Domestic Freight Tonnage could increase by about 70 percent over that same period. As stated above, international trade now comprises over 25 percent of U.S. GDP and is expected to rise to one-third in less than 20 years.

In Brownsville, the sixth biggest border crossing on the US-Mexican border in value of shipments, over \$10 billion in trade moves between the two NAFTA part-

ners each year. Most of this trade is moved in the 250,000 and 300,000 truck crossings and over 600 train crossings per year.

Today's intermodal freight network is not equipped to handle the growing volume of intermodal freight, especially container freight. The resulting congestion degrades the reliability and performance of carriers, shippers, and terminal operators—a serious problem for businesses. Predictable travel times are vital in an economy where just-in-time delivery and tightly scheduled production and distribution processes are the norm. Through the implementation of sophisticated logistics policies to manage massive numbers of containers, an inventory management revolution is currently taking place that we must be very careful to protect and promote. To support and complement this revolution in inventory management and global trade, good governance demands investment at our borders to reduce existing inefficiencies and costly bottlenecks.

The goal of linking production decisions to the shifting pace of consumer demand that seemed elusive just 20 years ago is suddenly very attainable. With it comes the even more elusive hope of smoothing out business cycles. The ability to actually move freight quickly across various modes of the transportation system, however, is the linchpin of this revolution. The benefits attributable to dramatically lower inventory costs and increased liquidity for businesses that do not need to spend capital on unused inventory can be severely compromised by inefficient border operations.

Although carriers and shippers are by and large private entities, their financial health is inextricably linked to the health of public transportation infrastructure. As a result, cooperation between the private sector and government must be improved through an increase in public-private partnerships. The United States, with the most vibrant and dynamic private sector in the world, is unique in its lack of private sector involvement in transportation infrastructure. In addition to improving the overall condition of the Nation's surface transportation network, SAFETEA specifically targets the capacity and efficiency of the Nation's freight system by:

- Establishing a National Highway System (NHS) set-aside to fund highway connections between the NHS and intermodal freight facilities, such as ports and freight terminals;
- Expanding Surface Transportation Program (STP) eligibility to include freight connector projects;
- Continuing the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) and allowing rail freight projects to qualify for TIFIA credit assistance;
- Lowering the TIFIA program's project threshold from \$100 million to \$50 million; and
- Expanding the availability of tax-exempt private activity bonds to include highway projects and freight transfer facilities.

While virtually every other industry in the world has gone through a technological revolution, the implementation of technology in the management of transportation infrastructure could be greatly increased. SAFETEA continues to foster the research, development, and implementation of Intelligent Transportation Systems technologies but places a much greater emphasis on using these technologies to improve the performance and operation of transportation systems and motor vehicles in a way that directly benefits transportation customers. Because operational efficiencies are so integral to border activity, improving technology applications can substantially speed the flow of people and goods through major international gateways.

The technology proposals contained in SAFETEA buildup technology implementation activities already underway at the Department. In coordination with our partners in State and local governments and the private sector, the Department has initiated several operational tests on the use of electronic manifests, electronic seals, and asset cargo tracking.

First, the Air Cargo Electronic Supply Chain Manifest System of biometric “smart cards” will confirm the identity of truck drivers and will provide cargo movement and access information to reduce the time spent on processing manifests, verifying loads, and validating truck driver identities. Second, the Electronic Seal project affixed electronic seals to containers to track cargo from its point of origin to its point of destination, using a radio frequency that emits a signal as it passes reader devices, displaying information about container tampering, thus assuring security and expediting movement across the border. Finally, the Asset Cargo Tracking project was designed to improve visibility and productivity via the monitoring of transport assets and cargo during movement between freight terminals and customers and to provide asset and cargo information in a standard format to a variety of users. This prototype electronic tracking system collects data on cargo location, status, and

time-stamped information via sensors affixed to transport assets. The tracking system reduced costs through improved efficiencies in chassis and container utilization and enhanced recognition of potential security and routing issues.

Beyond technology tests, the Department is working with other Federal agencies and our partners in Mexico to assess border crossing improvements. Developed cooperatively with the General Services Administration, Bureau of Customs and Border Protection, and other Federal inspection services, the BorderWizard, a border Port of Entry simulation model, identifies infrastructure and operational needs internal to the Port of Entry. States are able to use Border Wizard to help with their border investment decisions.

Because good data is central to any efficient border crossing system, the Department is working with other Federal agencies to establish the International Trade Data System (ITDS). This project will modernize, for the first time in decades, the information flows that accompany trade movements. The ITDS will work with the Automated Commercial Environment, or ACE, to improve both the collection and sorting of trade data to expedite trade across our borders and to enhance our targeting of high risk cargoes.

The new system will help overcome information stovepipes and enhance border security by providing interagency information sharing, and real-time, cross-government access to more accurate information. Shipment information will be analyzed prior to arrival, allowing advanced inter-agency assessment of risks and threats. Results will determine if, upon arrival, a shipment is to be examined or cleared for release.

Technology can also be particularly effective in the implementation of innovative demand management strategies. SAFETEA provides more resources to expand capacity at our nation's borders, but also provides new tools to States and localities to manage existing capacity more rationally. Our proposal would allow States to establish user charges on Federal-aid highways, including the Interstate System, to improve these facilities. It would also allow States to permit Single Occupancy Vehicles (SOVs) on HOV lanes, so long as time-of-day variable charges are assessed on SOVs for such access.

There are other ways that U.S. DOT is currently working to directly improve border transportation. FHWA co-chairs the U.S.-Mexico Joint Working Committee (JWC) with the Mexican Secretariat of Transportation (SCT). The JWC was established in 1994 by a Memorandum of Understanding (MOU) signed by the U.S. and Mexico. The purpose of the JWC is to coordinate bi-nationally the various planning processes for border transportation activities. In addition to FHWA and SCT, its members include representatives from the U.S. State Department, the Mexican Secretariat of Foreign Relations, the four U.S. border State Departments of Transportation, and the six Mexican border States. The General Service Administration and the Department of Homeland Security also participate in the meetings. The JWC meets twice a year, most recently on July 10 and 11, 2003. It will celebrate its 10th anniversary next August.

In 1994, the JWC initiated a bi-national transportation planning study to establish the framework for bi-national planning and coordination. This \$2.5 million study identified many opportunities for improving planning and operations at the border ports of entry. The study included an inventory of transportation infrastructure; a description of commercial vehicle trade flow process, a description of U.S. and Mexican transportation planning processes, an analysis of the economic impacts of U.S.-Mexico trade, an evaluation of U.S. and Mexican border area capabilities to forecast trade, and port of entry case studies.

A key product of the bi-national study is a data bank containing information on trade and traffic flows, socioeconomic data, traffic flows at the ports of entry, and existing and planned border infrastructure improvements. The JWC is committed to updating and maintaining this data bank.

The JWC activities are guided by 2-year action plans negotiated by the group. The 2001 to 2003 work plan included a Border Infrastructure Needs Assessment study, geographic information systems platform development, and the Analysis of Coordination Systems for Operation of Border Ports of Entry study. The Texas Department of Transportation led the Analysis of Coordination Systems for Operation of Border Ports of Entry study. The current work plan (2003-2005) includes an Innovative Financing study, the Analysis of Coordination Systems for Operation of Border Ports of Entry pilot project (spearheaded by the Texas State Department of Transportation in El Paso), a Transportation Infrastructure and Traffic Management Analysis of Cross Border Bottlenecks study, and further development of geographic information systems, including a training program. The JWC also plans to convene the first ever U.S.-Mexico Safety Conscious Planning Forum during 2004.

The JWC also helps to promote effective coordination and communications. It has resulted in the formation of many new professional relationships within the U.S. and with Mexico. An example of one of these new partnerships is the Border Technology Exchange Program (BTEP). BTEP was developed and implemented in conjunction with the work done by the JWC. Funded by FHWA, with additional funding provided by Mexico and southern border States in the U.S., the mission of BTEP is to improve the safety, efficiency, and security of the trans-border movement of people and goods. BTE is used as a support for JWC work plan activities, providing training and dissemination of work plan products, currently for the geographic information systems training.

The five objectives of BTEP are to create a permanent technology exchange process; to increase institutional, technical, and legal compatibility and understanding; to improve transportation systems in the border region; to enhance professional and cultural understanding; and to strengthen professional and technical capabilities. This program resulted in the creation of two technology transfer centers in Mexico and four more are planned in the remaining Mexican border States in the next few months. BTEP also has provided several training opportunities as well. For example, it is estimated that over 1,500 Mexican engineers, lab technicians and other transportation stake holders have participated in the Texas program alone.

Although primary transportation security functions no longer rest with our Department, we intend to maintain an important partnership with the Transportation Security Administration (TSA) and other relevant agencies at the Department of Homeland Security (DHS). Both of our massive land borders present daunting transportation, commercial, and security challenges. None can be solved independently of the other. Successfully incorporating security improvements into a commercial framework will test the abilities of the Federal Government and the States in ways that they have not been tested previously.

The early results are quite promising. For example, the Container Working Group (CWG), made up of elements of DHS, the Office of the Secretary of Transportation and a large number of private sector participants, is focusing on addressing key components of the process through which a container is packed, secured, loaded and transported to the U.S. The CWG's aim is to ensure integrity of the shipment at all points of the international transportation chain. Another example is the Border Station Partnership Council (BSPC) headed by Bureau of Customs and Border Protection at DHS. The BSPC is a group of Federal inspection services that plans for internal infrastructure decisions for land Ports of Entry. The BSPC includes a representative from the Federal Highway Administration and is working to collaborate with the State Departments of Transportation.

TSA and the Federal Railroad Administration (FRA) have been working closely to develop transportation security guidelines for the rail sector along the principles of the threat based and risk management approaches used in other security areas. Guidelines will be developed using critical rail infrastructure risk assessments and input from industry. Working with the FRA, DHS has agreed to a process for targeting, screening, and examining rail shipments transported into the U.S. from Canada the two largest cross-border rail carriers has been agreed to with the Canadian Customs and Revenue Agency.

Pending the opening of the Southern border to Mexico-domiciled commercial vehicles, the Federal Motor Carrier Safety Administration (FMCSA) has border inspectors and auditors conducting inspections and safety audits on commercial zone carriers. Border safety investigators are assisting other FMCSA staff in conducting compliance reviews to maintain their skills and conducting compliance reviews on commercial zone carriers. Eighty-four FTEs will be redeployed to border crossing locations to conduct truck inspections.

This group is comprised of 46 auditors, 30 safety investigators, and 8 inspectors and will perform the following duties: Vehicle inspections of CMVs (including those transporting HAZMAT), motor coaches, Camionetas, and southbound CMV traffic; ensure compliance with Out of Service (OOS) trucks towed from the compound and oversee traffic control in the compound; train less-experienced inspectors; review defects discovered during inspections; conduct registration and CDL checks using Personal Digital Assistants (PDAs); participate in strike force activity at various border patrol check points and State Ports of Entry to check for unauthorized long-haul transportation by Mexican carriers; continue outreach and education efforts.

The high level of cooperation and support between our Department and DHS extends throughout the operating administrations. The relationship will continue to grow and change in the coming years, and the intersection of transportation activity and security demands that it will always be a close one.

As the economies of the U.S., Canada and Mexico become more interdependent, the demands on the immense land borders between us will continue to grow. Trans-

portation issues are at the heart of these demands. This Administration and our Department are working to ensure that U.S. border operations promote economic growth and improve security.

Thank you, again, for giving me the opportunity to testify.

STATEMENT OF JOHN W. JOHNSON, TEXAS DEPARTMENT OF TRANSPORTATION

INTRODUCTION

I am John W. Johnson, Commissioner of Transportation and chairman of the three-member Texas Transportation Commission that oversees the Texas Department of Transportation (TxDOT). I appreciate the opportunity to brief the committee on the importance of the Texas transportation system to the Nation and our recommendations for the reauthorization of Federal surface transportation programs now before the Congress.

The Texas Department of Transportation oversees the largest State highway agency-owned road system in the country, with 79,000 centerline miles and 187,000 lane miles. Texas has more interstate highway system miles (3,234) than any other State. Texas has 13,435 miles (8.2 percent) of the designated 165,000-mile National Highway System. Texas is home to more highway bridges than any other State in the Nation, with 48,085 bridges in the statewide inventory, 10,555 of which are classified as deficient, and 2,138 of those deficient bridges are on the National Highway System. Statewide, Texans and visitors to Texas logged more than 218 billion vehicle miles of travel in 2000 on the 301,000-mile statewide roadway system (State and local roads). Texas has the largest rural population in the nation—that's 6,687,000 rural residents according to the 2000 census. Our urban population (14,049,000 by 2000 census counts) is the third largest in the United States.

According to a recent report of the Texas Governor's Business Council, the central issue for road conditions in Texas today is highway congestion. This study's goal is addressing highway congestion in the State. Urban traffic conditions have deteriorated substantially in urban areas, where two-thirds of Texans live, as traffic volumes have far outpaced roadway capacity improvements. Now, travel demand exceeds roadway capacity for several hours of a typical day in the larger urban areas. The size of the road system must increase to respond to dramatic population and business growth. Quality of service must improve to meet the needs of an increasingly affluent society with high values of time for both people and goods and to assure a vigorous business climate and quality of life.

Texas' population will increase from 20.8 million in 2000 to 29.6 million in 2025. Ninety percent of the growth, or almost 8 million more people, will live in Texas' metropolitan areas. Traffic congestion is getting worse. From 1990 to 2000, Texas' population grew 23 percent, the number of vehicles increased 23 percent, the number of workers grew by 23 percent, and vehicle miles traveled increased by 41 percent.

However, the number of lane-miles increased by only 3 percent. From 1990 to 2000 traffic congestion has cost Texas 2.6 billion hours of delay (costing \$40 billion) and 4.5 billion gallons of wasted fuel (costing \$5.6 billion), bringing the total cost of delay to \$45.6 billion. During this same period TxDOT spent only \$37.4 billion on maintenance and new construction. If the current highway construction and maintenance spending trend continues, Texas will spend only \$140 billion over the next 25 years. The report suggests that at least another \$78 billion in highway investments are needed in Texas over the next 25 years to appropriately address the State's highway congestion. The results of such an increased investment could cut delays by 20 billion hours, save 31 billion gallons of fuel, provide 120,000 additional permanent jobs, reduce emissions by 775,000 tons of hydrocarbon pollutants, improve safety, and provide other benefits totaling \$511 billion.

U.S.-Mexico trade also continues to grow strongly. The Texas ports of entry handle nearly 80 percent of the surface trade across our borders, with over 85 percent of it being moved by truck. The border bridges at Texas ports recorded over 5.7 million truck movements in 1999. More than half of these had U.S. origins or destinations outside Texas. Trucks engaged in North American Free Trade Agreement (NAFTA)-related commerce comprise a significant portion of the truck traffic in Texas; based on modeled volumes, NAFTA truck traffic comprised 16.5 percent of all truck traffic on Texas highways.

NAFTA trade is hampered by choke points at the border. Texas infrastructure problems are only one of the factors in determining these choke points and in most cases not the principal factor; other contributing factors include border clearance through numerous, often uncoordinated, State and Federal agencies, paperwork,

staffing issues, and institutional and cultural issues. For example, border infrastructure is often located in congested downtown areas, complicating commercial traffic flows and aggravating the challenge of traffic congestion. Additionally, location in a fully developed area limits the possibilities for needed expansion.

TxDOT alone cannot solve all of the border trade transportation problems, but we will continue to monitor the problems, identify potential strategies, and recommend solutions for addressing them. TxDOT has placed a great emphasis on infrastructure development along the Texas-Mexico border. TxDOT will continue to monitor the development and implementation of NAFTA, study its impact on our system, and plan and schedule appropriate improvements to meet the needs of international trade.

The department has made significant commitments to improving the border region's transportation system. From 1998 to 1993, the border received 5.6 percent of State transportation dollars and from 1994 to 2000 that share grew to 9.8 percent. For 2001 to 2004, we plan to spend 12.2 percent of State transportation dollars along the border. Beyond the immediate future, TxDOT has plans in place to direct more than \$1.8 billion to the border region over the next 10 years.

In coordination with the Texas Department of Public Safety, we are planning eight motor carrier safety inspection stations along the border. Estimated cost of the stations is \$115 million. TxDOT and our university research partners have developed a model border crossing prototype that will combine State and Federal agencies at one location to improve the flow of truck traffic through these key entry points.

The entire country, not just Texas, benefits from NAFTA. Texas should not be forced to fund the full financial burden of needed infrastructure improvements to handle the international trade agreement.

Texans paid \$2.6 billion in Federal motor fuels taxes into the Highway Trust Fund in fiscal year 2002. However, Texas' fiscal year 2002 obligation limitation was set at only \$1.73 billion. Our State has received a rate of return of only about 88 cents on the dollar on our motor fuels tax payments through the Federalaid highway program distributions under TEA 21 (1998–2003).

Our citizens are not just looking to the Federal program to handle our transportation needs; State fuels tax revenues in 2000 totaled more than \$6 billion. However, one quarter of these State revenues are directed to the State's public school fund and are not available for transportation purposes. Our most recent annual highway construction letting volume exceeded \$5 billion. And yet, our identified transportation needs exceed our available funds by a two to one ratio.

TEXAS REAUTHORIZATION PRIORITIES

Texas has a lot at stake in the work now on the congressional agenda. While it is a time of tight budgets at both the national and State levels, Texas needs to be able to do more with the resources we have to meet the tremendous transportation demands of our growing and diverse State.

In every reauthorization effort, TxDOT's objectives remain the same:

- To protect and enhance the Federal investment in transportation infrastructure;
- To capture for Texas the largest possible share of Federal transportation dollars; and
- To give State and local governments the broadest possible discretion over the Federal transportation dollars we do bring home to Texas.

As my colleague on the commission, Ric Williamson, indicated in his testimony to this committee's September 25, 2002 joint hearing with the Committee on Finance, Texas is working hard to create the financing tools we need to make the most out of our available transportation dollars. At the State level, we are developing new opportunities to use bonding and other private sector financing options to leverage our public sector funds to address our transportation needs. At the same time, we are working closely with our State and local partners to improve the efficiency with which we deliver needed transportation improvements in both urban and rural situations. However, if we are to be able to take full advantage of these new areas of opportunity, we need Congress to untie our hands.

During its 78th Session, the Texas Legislature passed, and Governor Rick Perry signed, HB 3588, landmark transportation legislation that redefines the way infrastructure is delivered in our State. HB 3588 permanently establishes the Trans Texas Corridor as the next-generation transportation facility to move people across the State. As envisioned, this long-range response to the transportation needs of Texas will be a multi-use, statewide transportation corridor that will include toll roads, high-speed passenger and freight rail, regional freight and commuter rail,

and underground transportation for water, petroleum, gas, and telecommunications. Designed to be a much faster and safer transportation of people and freight, the Trans Texas Corridor will include four multi-modal, high priority corridors approximately 1,200 feet wide. Implementing this vision, one of the largest transportation projects in the State's history, is expected to take 50 years or more.

HB 3588 also enhances the ability of local governments, acting through Regional Mobility Authorities, to deliver infrastructure much faster, and it offers new project delivery methods that will have travelers using new facilities much more quickly.

Even before Texas begins to take full advantage of these new tools at the State level, we are already serving as model for the Nation in the use of the variety of transportation financing tools now available. The Central Texas Turnpike Project (CTTP) being developed as a State-maintained toll facility includes four project elements—SH 130, SH 45 North, Loop 1, and U.S. 183A. Currently, TxDOT is developing the first phase of the CTTP—the northern 49 miles of SH 130, SH 45 North, and Loop 1. These 65 miles of new toll roads in Central Texas will cost approximately \$2.9 billion. This includes right of way acquisition, utility adjustments, design, and construction. With the addition of required reserve funds, interest, insurance and issuance costs, the total estimated costs are \$3.6 billion. The four elements of the funding package include local contributions, State highway dollars, a \$916.76 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, and the sale of bonds, which will be paid for through the collection of tolls. (The TIFIA loan is the largest such loan in the history of the program.) By using this mixture of public and private project financing instead of traditional pay-as-you-go financing, we will be able to shave at least 20 years off the project delivery time and have Texans using these facilities by December 2007. The CTTP will bring congestion relief to I-35 and surrounding arterial roads in Travis and Williamson counties, as well as the Central Texas region. Providing more transportation options for commuters, businesses, and motorists will improve mobility and safety in the region.

But Texas is not stopping with the CTTP in our efforts to deliver needed project faster. TxDOT is asking private companies to submit innovative strategies to build a high priority segment of the Trans Texas Corridor. TxDOT has requested competing proposals to develop the I-35 High Priority Trans Texas Corridor, extending from the Red River to the Mexican border.

This high priority corridor would generally parallel I-35. Portions of the I-37 and I-69 high priority Trans Texas Corridors may be included as necessary for connectivity and financing. The notice asks teams to submit plans to acquire, develop, design, construct, finance, maintain, and operate a combination of rail, roadway, and utility facilities for this high priority corridor. In addition, each team must include a description of the group's qualifications, experience, and expertise. Proposals will be evaluated based on the team's experience in developing large, complex projects and the financial and technical feasibility of the proposal. If a successful proposal is selected from the short list, TxDOT intends to enter into a comprehensive development agreement for this project. An agreement will allow the selected proposer to acquire, design, build, and partially finance the project.

Another key project for the future of Texas transportation is the ongoing development of Interstate 69 (I-69), which begins right here in Brownsville, extends to Texas' busiest port of entry at Laredo, and continues through Texas to Houston and Texarkana. Outside of Texas, the I-69 Corridor will provide a much needed mid-continent trade route connecting the United States' two largest trade partners—Mexico and Canada. Within Texas, I-69 will connect the Rio Grande Valley with the rest of the State with a controlled-access Interstate freeway facility and provide relief to Valley communities from the congestion of international trade traffic.

However, the I-69 corridor will be the nation's corridor. The benefits from international trade flow to all parts of United States. The States benefiting from that trade must bear an appropriate share of the cost to Texas to provide the transportation infrastructure necessary to support that trade. It is estimated that the entire I-69 corridor from Brownsville to Indiana will cost more than \$15 billion to construct. Within Texas, we estimate that the construction cost will run close to \$6 billion. If we are to build this vital international trade corridor quickly (i.e., over the next 6–10 years), we in Texas would need about \$800 million per year.

Of course, we cannot afford to sacrifice the transportation needs of the rest of Texas to build I-69. With current funding, we can only do about one out of every three projects that need doing. To make I-69 a reality without sacrificing other transportation needs in Texas, funding for I-69 must be over and above what Texas would otherwise receive in Federal highway funds.

The new financing and planning tools that we now have available within the State and the enhanced Federal tools we hope to see in the TEA 21 reauthorization at the Federal level will go a long way toward making our plans for the future of

I-69 in Texas (and the other major transportation projects in the State) a reality sooner for the people of Texas. A few enhancements to Federal law will be necessary to fully realize the potential of HB 3588, I-69, and the Trans Texas Corridor, and the Senate Environment and Public Works Committee can help deliver those additional resources. In particular, our agenda calls for changes that will improve funding equity, enhance flexibility, and create innovative finance mechanisms to leverage available transportation funding.

Strengthen the Federal Investment in Transportation. We need Congress to strongly affirm what we all know to be true—that increased investment in transportation is a sound and efficient way to stimulate the economy, create and sustain jobs, and improve the efficient movement of goods and services so vital to the business community and our quality of life. We need Congress to continue to grow the Federal transportation program investment and to strengthen the guarantees on those funds for the benefit of the Nation.

Enhance Highway Funding Equity. Mr. Chairman, the reauthorization must include equity improvements in order for it to provide a better economic benefit to Texas and other donor States. Your State and mine (and many others across the nation) continue to pay more of our Federal gas tax into the Highway Trust Fund than we receive in Federal highway program funds. Even with improvements made in TEA-21, Texas only realizes about 88 cents on each dollar contributed. The next Federal act should guarantee all States at least a 95 percent rate of return on all funds distributed to the States through Federal highway programs. If a 95 percent Minimum Guarantee had been in place in TEA 21, Texas would have received nearly \$1.2 billion more to invest in transportation since fiscal year 1998. The TEA 21 reauthorization legislation should alleviate this inequity by including the highway funding equity proposal embodied in S. 1090, introduced by Senators George Voinovich and Carl Levin and strongly supported by Texas Senators John Cornyn and Kay Bailey Hutchison and 19 other senators.

Improve Project Delivery Mechanisms. Changes to current Federal policies and financing mechanisms could significantly improve our ability to quickly and efficiently address our growing Texas mobility needs.

The recently adopted Federal Highway Administration regulations on Design-Build Contracting are hampering our progress and limiting the level of investment from our private partners. The Federal Highway Administration, through these regulations, has restricted States in ways we believe are directly contrary to provisions in TEA-21 allowing flexibility to agencies wishing to engage in innovative contracting. Our primary concerns relate to the detailed regulations requiring State and local agencies to adjust their existing procurement processes to conform to Federal practices, as well as a requirement that compliance with the National Environmental Policy Act process be completed before proceeding with an innovative contract.

The procurement requirements may be inconsistent with an agency's existing authority under State or local law. These requirements would preclude a department of transportation from gaining the benefit of private sector innovation in planning its infrastructure projects and developing innovative procurement processes. I urge your support for a modification to this rule that would permit agencies to use procurement processes allowed under State law.

The Reforming, Accelerating & Protecting Interstate Design (RAPID) Act (HR 2864) by Congressman Michael Burgess proposes the most important of these modifications. The RAPID Act also allows a donor State to use a thorough and efficient environmental process for a multi-modal transportation project like the Trans Texas Corridor.

An important amendment to Federal environmental laws and regulations is also needed to expedite approval of high priority and emergency projects, including projects to improve the safety of roadways having higher than average traffic accident rates.

Expand Options for Tolling the Existing Federal Aid Highway System. Because tax-funded roads have not kept pace with need, Governor Rick Perry has led Texas in efforts to expand our State's ability to use tolling to supplement existing funding. This tool was extended under HB 3588, and a Federal proposal supporting the use of tolls to address issues of congestion, pollution, and safety has been introduced. I understand pending proposals (S 1384 and H.R. 1767) would grant States tolling authority for the expansion of Interstate highway routes, with the limitation that the tolls be eliminated after capital costs are recouped. Texas needs such authority; however, I would like to reinforce that discretion over its use should reside with the State, including the amount of time the tolls are in effect. Once again, the Burgess RAPID Act improves on this by providing States with this additional discretion.

In the Bush Administration's "Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003" (SAFETEA) proposal, we are encouraged by the proposal to allow Interstates to be tolled to reduce congestion or emissions in non-attainment areas if they use variable pricing based on congestion or time of day. This goes beyond just high-occupancy toll (HOT) lanes to tolling the entire roadway and is not limited to SAFETEA's proposed three "Interstate Tolling" pilots.

Continue the Availability and Expand the Reach of Transportation Project Financing Tools. Another vital tool is the ability to use tax-exempt bonds or private activity bonds to finance highway and surface freight intermodal projects developed through public/private partnerships. I urge your support for private activity bond (PAB) provisions similar to those contained in the Bush Administration's SAFETEA reauthorization proposal. The proposal allows up to \$15 billion in bonds to be exempt from Statewide caps on the issuance of certain other types of PABs. SAFETEA would include highway facilities and surface freight transfer facilities among those projects for which PABs may be issued.

Your support for continuing financing tools under TEA-21—such as the Transportation Infrastructure Finance and Innovation Act (TIFIA), ensuring that Texas retains full use of its State Infrastructure Banks (SIBs), Grant Application Revenue Vehicle (GARVEE) bonding authority, and advanced construction and flexible match provisions—is critical. Congress should continue the availability of these tools and consider the creation of additional financial tools.

In addition, existing tools like TIFIA, SIBs, and toll credits must be refined for Texas to make full use of them. For instance, restrictive financial covenants in the TIFIA loan agreements should be lifted, repayments to SIBs should be free of Federal requirements to ensure that future borrowers (mainly cities and counties) are able to access the funds, and States should receive toll credits based on the proportion of a project's toll financing, even if Federal funds are used for part of the project's costs.

Target Border and Corridors Programs to Meet NAFTA Needs. With ever-increasing demands on Texas' transportation system for both local mobility and international trade transportation improvements, I believe that existing TEA-21 programs directing funds to border States for trade corridor and border transportation infrastructure development are falling short of accomplishing this goal. The National Corridor Planning and Development program and the Coordinated Border Infrastructure program must be reformed so that priority is granted to corridors with increased traffic since the enactment of the North American Free Trade Agreement. Also, specified funds should be spent exclusively on international border and corridor projects. I believe this reform would return the programs to their original intent—promotion of national economic growth in relation to international/inter-regional trade and facilitation of the safe movement of people and goods across U.S. borders. Legislation introduced by Senator Kay Bailey Hutchison (S 1099) and Congressman Michael Burgess (HR 2220) is designed to properly clarify these programs. Texas will continue to push for greater Federal investment in the international trade corridors that traverse our State and border improvements serving the Nation.

Strengthen Environmental Stewardship and Program Flexibility. State DOTs like TxDOT are the Federal Government's agents in the federally funded, State-administered Federal-aid highway program. We believe that Congress should shift more decisionmaking authority to Texas State and local transportation officials. I encourage Congress to allow States to exercise their environmental and project stewardship responsibilities by granting more categorical approval authority and delegate FHWA overview to the States. A key provision in the Bush Administration's SAFETEA proposal would allow States to assume some of USDOT's responsibilities for transportation enhancements, recreational trails, and transportation and community and system preservation program projects. This delegation would streamline the review and approval process, thereby expediting project delivery.

Texas will add at least four new non-attainment areas under the new ozone standard. The Congestion Mitigation and Air Quality Improvement Program (CMAQ) must be amended to adjust for the larger demand on these funds. In addition, we believe that CMAQ eligibility should extend to near-nonattainment areas that have entered into a legal voluntary emission reduction agreement (e.g., the O3 Flex Agreement, the Early Action Compact). Even more importantly, we ask that Congress restructure the CMAQ program to allow it to support the significant air quality benefits available from congestion mitigation, rather than continuing the current restriction of these funds to air quality improvement projects only.

Conclusion

Thank you for the opportunity to bring part of the Texas transportation message to you today. As stated earlier, Texas has a lot at stake in the work now on the

congressional agenda. Your work to improve the Federal Government's commitment to enhanced transportation funding is very important to Texas and to the border region. We look forward to working closely with the Texas delegation and the authorizing committees to ensure that the reauthorization of surface transportation programs and funding results in a positive environment for the future of Texas transportation. By providing the enhanced funding equity, more flexible program provisions, and expanded transportation project financing tools we have outlined here, Congress will help Texas be better positioned to build on our success and plan for the 21st century, providing greater prosperity for our citizens now and into the future.

STATEMENT OF WM. R. STOCKTON, P. E., ASSOCIATE AGENCY DIRECTOR, TEXAS
TRANSPORTATION INSTITUTE, THE TEXAS A&M UNIVERSITY SYSTEM

Introduction

Thank you, Mr. Chairman, Senator Cornyn and members of the committee for the opportunity to be here today. I am Bill Stockton, Associate Director of the Texas Transportation Institute, a research agency of The Texas A&M University System. Along with colleagues from the University of Texas at Austin, I have been working on a variety of transportation issues relating to the Texas-Mexico border for the past several years. Our focus has been transborder freight movement, in particular, how to speed the movement of the increased commercial traffic resulting from the implementation of NAFTA across the border without compromising U.S. national security.

Why should you care about the impact of border freight on the Texas transportation network?

- Mexico is the second largest trading partner of the United States—\$200 billion annually
- 80 percent of that trade crosses the border in a truck, mostly through Texas—\$160 billion annually
- 60 percent of that truck traffic is bound for a destination beyond Texas—\$100 billion annually.
- 25 percent of all border trade, northern or southern border, comes through Texas
- So Texas is the port-of-entry for the rest of the Nation.

In our research, we have observed two categories of challenges—physical and institutional—and we see opportunities stemming from both

Physical Challenges

With very few exceptions, current border truck traffic is far beyond the level envisioned when most border stations, border communities and border highways were planned. As a result, the border stations are often cramped, truck traffic backs up into border cities on both sides causing congestion and air pollution, and border highways often show distress of repeated heavy loads. Very few of the inspection compounds have adequate space to accommodate peak traffic demands. Advances in inspection technologies and changes in inspection practices are often

difficult to accommodate in older vintage border stations, where inspections were carried out at a loading dock instead today's multi-million dollar "x-ray" machines. Likewise, most of the international bridges have too few lanes to keep northbound trucks from standing in long queues back into Mexico.

Local street networks on both sides of the border are often overloaded with traffic, but it is the truck queues waiting to cross the border that cause most of the mobile source air pollution. Sister-city trade has dropped off considerably due to long queues waiting for processing at the border. Regional highways that connect the border to the rest of the Nation, like U.S. 77, U.S. 281 and I-35 have seen dramatic increases in truck traffic. Because a fully loaded truck causes pavement damage 9000 times greater than a passenger car, the stresses on local streets and regional highways is well beyond the original design. That means additional costs for State and local transportation agencies as they try to maintain roads and keep local drivers safe.

Institutional Challenges

It is a common mistake to think of transborder freight movement as something that begins and ends at the port-of-entry. In the past, most proposed "solutions" have examined only the port-of-entry, ignoring the reality that the process—especially the transportation component—begins with the shipper, possibly in interior Mexico, and ends with the receiver, perhaps as far inside the U.S. as Chicago. If we want

to achieve the full economic benefits of international trade, while assuring security and safety, we have to see the process in its “big picture” view.

Prior to September 11, 2001, more than 100 Federal agencies had some role in approving or processing or sharing data on truck traffic crossing the border. That number does not include the host of State, local and private interests that have legitimate roles in the crossing process. Given the complexity of the process and the vast number of players, it is amazing that it works as well as it does. As you might imagine with a system this complex, coordination among all the players is very difficult and historically has not been very effective.

Most of today’s coordination problems existed before NAFTA and they continue because there is no over-arching mechanism to make sure they get fixed and stay fixed. The reorganization of the Department of Homeland Security certainly provides a structure for the Federal inspection agencies, but because transportation issues are not exclusive the Federal inspection compound, there is still great room for improvement.

It should be understood that the goals of transborder truck transportation are different from any other aspect of transportation. Each of the myriad of public and private sector stakeholders in the process has its own measure of success, so there is no common yardstick by which we can measure the efficiency or effectiveness of one port-of-entry versus another. Without such benchmarks, it is difficult, if not impossible to know where to allocate resources to improve operations or infrastructure. Each of these stakeholders does the natural thing: they focus on streamlining and optimizing their portion of the process, with only passing attention to how their actions affect the overall process. For example, border infrastructure and staffing is overloaded during parts of the day and very underutilized at others. Long standing private sector practices and differences in public agency schedules have thus far thwarted efforts to even the flows throughout the day, reducing congestion, waiting time and air pollution. There is enormous potential for “everybody wins” in a big picture approach to coordination.

The bottom line is that transborder freight movement is a supply chain system. The sooner we manage it that way, the sooner we’ll reap the benefits. There are lots of things that remain unknown, but there are great universities that possess enormous skill to tackle the unknowns as objective outsiders. In addition to Texas A&M University and UT–Austin, we have colleagues at UT–Brownsville, Texas A&M International in Laredo, UT–El Paso, and UT–San Antonio who contribute greatly to the betterment of transborder trade. They bring unique experience and expertise which can help identify particular regional issues to be addressed.

Opportunities

Great progress has been made in spite of the challenges of exponential growth in truck traffic and emerging needs for security and truck safety. Efforts led by the Federal Highway Administration and the Texas Department of Transportation have not only made bold steps in defining the issues, but also have begun rapid implementation of solutions. And despite the concerns I have raised about physical and institutional challenges, there are excellent opportunities to be explored and solutions to be tested.

Since widening of the international bridges and expansion of the border inspection facilities is not an immediate prospect, then we must focusing on better managing the traffic, just as we do on freeways that cannot be expanded. Many of the tools of intelligent transportation systems, or ITS, have excellent application in transborder truck movement.

Several are worthy of mention:

- The Texas Model Border Crossing incorporates off-the-shelf technologies and processes to detect, identify, screen, and track trucks through commercial border crossings, providing smooth and rapid passage to those that are in full compliance with Federal and State laws and rules. This traffic management application would be an ideal complement to the Bureau of Customs and Border Protection’s Secure Trade Expedited Processing program, in progress on parts of the Texas–Mexico border. I have taken the liberty to attach to this testimony a copy of the Model Border Crossing Briefing Document.
- Deploying short range radio frequency technologies to detect and identify trucks before they reach the border. Not only does this provide advance notice to inspection agents, but it allows them to identify “low risk” traffic and route it expeditiously, focusing resources on unknown or high risk traffic. These improvements are being pilot tested at the commercial crossing in Otay Mesa, CA.
- Using dynamic message signs and lane control signals to sort trucks and route them upstream of and within the border station.

- Interfacing the computer systems of Federal inspection agencies with those of State governments, especially at the border safety inspection facilities operated by the Texas Department of Public Safety to share identification data and violation histories, as well as credentials, operating authority, insurance coverage, etc. It makes sense to capture this information once and share it.
- Incorporating this computer interface with TxDOT's commercial vehicle operations strategic program, which will eventually allow law enforcement personnel throughout the State and nation to quickly access information about weight, inspection history, etc, saving time for law enforcement and trucker alike.

Making changes to improved traffic management takes two partners-government and the trade community. Compliance with trade laws, national security requirements and truck safety regulations ought to be worth something to the trade community. Coordinated incentives are essential. It does little good for a trucker to save 5 minutes from an expedited inspection by a Customs inspector if he had to wait 3 hours to get to the inspection booth. A comprehensive program to provide meaningful time incentives-for the entire supply chain from receiver to shipper-would improve appreciably voluntary compliance and provide significant benefits to both trade and security.

Recommendations

1. Provide for a full-scale pilot of the model border crossing at a busy Texas port-of-entry.
2. Commission a study to define the elements, the players and the process to assure over-arching planning and coordination of the entire supply chain movement of transborder freight.
3. Expand the Smart Border pilot project at Otay Mesa, CA to the larger commercial border crossings, especially in Texas.
4. Encourage variable tolling at international bridges, using market forces to balance peak demands and accommodate time-sensitive shipments. Provide reserve funding to assure bridge operators and bond holders financial interests.
5. Expand the federally mandated metropolitan planning process to incorporate border station planning and encourage Mexican sister-city participation.

STATEMENT OF HON. EDDIE TREVINO, MAYOR, BROWNSVILLE, TX

I am Eddie Trevino, Jr., Mayor of Brownsville. Good morning, Chairman Inhofe and Senator Cornyn, distinguished guests. Welcome to the Lower Rio Grande Valley!

On behalf of the city of Brownsville and its citizens, I wish to convey our deep appreciation for your taking the time to visit us.

Through our partnerships with TxDOT, the FHWA, and others, the city of Brownsville and Cameron County have been able to accomplish some great things in recent years. In May 1999, the Veteran's International Bridge at Los Tomates opened for business. This facility has exceeded its projected traffic and toll revenues.

Unlike many parts of the United States, South Texas has a very young population base. Even with our developing economy . . . we are having a difficult time finding enough job opportunities for our young people. I would note that Brownsville led Texas in job creation in the 2d quarter.

We are experiencing rapid growth in our MPO area. For example . . . traffic volumes are increasing between 5 percent to 6 percent each year on many of our roadways. Volumes will double in an 18-20 year period. Congestion problems will become intolerable if we don't move ahead on making improvements.

It would be easy to ask for your help for the completion of any one of 10-12 new projects that we sorely need in Brownsville. Each project is being designed to address critical infrastructure needs in our community. Some of these projects will help alleviate severe congestion problems. For example, roadway improvements are needed for the following thoroughfares:

- East Loop
- West Loop (From F.M. 3248 to E. 6th Street)
- Morrison Road, (to old Port Isabel Road)
- West Morrison Road
- Widening of Robindale Road
- Construction of Pineda Boulevard
- Widening of Old Port Isabel Road
- Establishment of the U.S. 281 Connector, (to connect F.M. 511 and U.S. 281)
- Extension of Magnatek Drive to S.H. 48
- Rehabilitation of Price Road

- Widening of Coffee Port Road

Instead, I want to take this opportunity to ask for some assistance on another important matter. TxDOT, with Federal assistance and help from the city of Brownsville, has completed improvements on U.S. 77 that meet interstate standards. Everyone here would acknowledge that U.S. 77 is a designated leg of the future I-69. We are currently not receiving interstate maintenance moneys for U.S. 77. The current Federal law does not allow for such expenditures until U.S. 77 connects to an existing interstate.

The city of Brownsville bought the land that was used for the Expressway extension to the border. We have done our part. Now it is up to the Federal Government to help with this issue.

Let me assure you that we don't believe that this oversight is due to malicious intent. However, this situation represents a very unfortunate oversight. It needs to be amended. Under the current language of the applicable Federal legislation . . . our Expressway has to be fully improved for 100 miles northward to connect to the Interstate System near Robstown, Texas. At that time, the Secretary of Transportation could designate U.S. 77 as part of I-69.

I suggest to you that everyone in this room will be much older when that occurs. That's why we need your help to change this provision of the law.

What is the purpose of I-69? One of the purposes of the interstate is to handle NAFTA traffic. We are already accomplishing that goal right here in Brownsville.

I suggest that the Federal language on this matter needs to be amended. If a highway segment meets all interstate design standards, and said highway connects to a U.S. deep-water port or to a U.S. Port of Entry . . . then the Secretary should be able to designate that highway as part of the interstate system. We should not continue to be penalized for being located here on the border. We are some distance from Robstown. The Port of Entry represents a huge Federal and local investment, aside from the highway.

In other words, Brownsville should be treated as the gateway to Mexico, Latin American and Asia. Please help us change the statutory language on these matters. We have met our responsibilities for building this part of I-69 and therefore, it deserves Federal recognition and support. Brownsville has the only major seaport in the U.S. without an interstate connection. We realize that F.M. 511 does not meet current interstate design standards. But when it does meet those standards, as U.S. 77 does today, it should be accepted as a part of I-69.

Thank you for your attention. We do appreciate your time spent with us here today.

STATEMENT OF HON. C. CONNIE DE LA GARZA, MAYOR, CITY OF HARLINGEN, TEXAS

Thank you for allowing me to be before you today. Welcome to the Magic Rio Grande Valley of South Texas, the Tropical Paradise of the United States of America. My name is C. Connie de la Garza, Mayor of the city of Harlingen, the third largest city in South Texas and the center of the Rio Grande Valley. I am serving my second three (3) year term as Mayor and have been involved in civic issues in the area for over 30 years.

The purpose of this hearing is to examine transportation investment along the Southern Texas Border—building upon the Transportation Equity Act for the 21st century (TEA-21) is certainly timely. To my knowledge we have never had a Senate hearing on transportation in South Texas. I commend you for being here to listen to our needs and desires.

The average citizen of Texas and the United States of America does not realize that approximately one (1) million people live within a 35 to 40 mile radius of Harlingen between South Padre Island, Brownsville, McAllen, Rio Grande City, Roma and Raymondville. And that is the population north of the Rio Grande River International Border. A greater number that use our transportation infrastructure live south of the River.

The latest U. S. Census figures reveal that two (2) of the top five (5) fastest growing Metropolitan Statistical Areas (MSAs) in the Nation are here in the Rio Grande Valley of South Texas—Harlingen, Brownsville, San Benito and McAllen, Mission and Edinburg. A third one—Laredo's MSA is just up the Rio Grande River from us. Thus, three (3) of the top five (5) fastest growing MSAs in the United States are in the southern border of Texas.

Our No. 1 concern is the fact that the Rio Grande Valley of South Texas is the only area in the U. S. with over one million citizens that does not have access to an interstate highway. The nearest interstate is I-37 from Corpus Christi, Texas to San Antonio. Long range plans have U. S. Highway 77 and 281 being converted

to Interstate 69 and that is good. But, I just pray it is completed before my 3-year old granddaughter is old enough to drive. The point I am making is the legislation that created I-69 Stated construction would start on the Rio Grande River and go North. We have yet to see anything happen other than the signs being placed that State "Future Corridor-I-69".

The future is now. Federal funds for a few overpasses on U. S. 77 between here and Corpus Christi, Texas and on U. S. 281 between Edinburg and Pleasanton would certainly give us Interstate access. This is very important because since NAFTA our commercial truck and automobile traffic between the USA and Mexico has grown tremendously. Statistics readily prove that. The rest of the Nation and the world have discovered our business climate in the Rio Grande Valley and Northern Mexico is an excellent profitable climate. We have created many new jobs in South Texas. Adequate and efficient transportation would only enhance our job growth.

Mexico is one of our nation's leading trade partner. We want to be able to efficiently transport the goods produced and manufactured on both sides of the River. The highway infrastructure must be enhanced in order for all of us to grow and profit.

In the past highway infrastructure for South Texas and the Border was often overlooked. We have received more Federal and State money in the last 5 years than we have in last 20-30 years and for that we thank you. But we are behind the curve because of the lack of funding in the past and because of the tremendous population growth in the last 10 years (25 percent-30 percent increase) and predicted growth in the next 10-20 years. We need to catch up and build for the future.

Our population and trade growth since NAFTA has also placed a great burden on our railroad systems that go through the middle of nearly all our Rio Grande Valley cities. The main Union Pacific line that cuts my city—Harlingen, in half as well as the city of San Benito, Town of Los Fresnos and Brownsville must be rerouted. The city of Brownsville in partnership with Cameron County and the Port of Brownsville have commenced a plan to relocate the U P Line with Federal, state and local dollars. We have also teamed up with Cameron County and the city of San Benito to do the same thing at the north end of Cameron County. The end result would be a Cameron County wide plan to relocate the main Union Pacific line and switching yards to an area away from our population base. Thus, the efficiency of our traffic flow would be increased. As it is now, a great number of our commercial and private traffic is stalled for hours (3-5 times a day) at the rail crossings. Emergency vehicles, fire and police, EMS also have the same dilemma. We must receive the necessary Federal help for the Cameron County Railroad Relocation plan in order to implement it for the benefit of commerce and our citizens.

In closing, I would like to stress that Texas is a donor state that gets only 874 back for every dollar of the Federal Gas Tax we send to Washington. We are 49th out of 50 on the list of dollars returned. We demand equity and would settle for 954 out of every dollar we send. That would enable TXDOT to do much more than what they presently do. I also want to commend the representatives of TXDOT that are present for doing a fantastic job with the limited resources they have. But, together with Federal help and local help we can do more.

I do thank you and your staff for having this hearing in South Texas. I trust you will leave the area with necessary information to make the right decisions for all our citizens. We commend each of you for the excellent job you are doing. Thank you and God Bless.

STATEMENT OF HON. JOHN DAVID FRANZ, MAYOR, CITY OF HIDALGO, TX

Good morning, Chairman Inhofe and welcome to Texas and the Rio Grande Valley. We are honored to have you here and appreciate the opportunity to provide information to you and our other guests. As always, Senator Cornyn, welcome, and thank you for being here again. And, Chairman Johnson, we appreciate your frequent visits and interest in our region since your appointment 3 years ago to the Texas Transportation Commission.

As a mayor, I have to spend a few minutes talking about my special city. Hidalgo is an old city with the, first settlement founded in 1749. We are located six miles south of McAllen. We are not a large city, population-wise, but we have grown substantially in the last few decades. We have three times the number of people we had in 1980. One of our primary business sectors is trade, with our city being home to a number of custom brokers and freight companies. Over 11,000,000 vehicles cross the McAllen/Hidalgo Bridge annually going to and from Mexico. Almost 700,000 trucks cross at the Pharr Bridge. We are working on plans for a new bridge

at Anzalduas to help meet the ever-increasing volume of crossings between Texas and Mexico.

Our proximity to Mexico, our historical connection with our friends on the other side of the river, our position in the ever-expanding web of trade between Texas, the United States and Mexico and our explosive regional population growth, leads me to talk about a number of specific challenges and issues related to transportation. And, I would like to talk about some of regional and State initiatives that address these challenges.

One of the newer challenges is homeland security versus the movement of trade and the flow between our communities. Communities and individuals on either side of the river have been connected for generations. We go back and forth to visit, to shop, and to conduct business. Even prior to 9–11, we had seen restrictions that affected the daily flow of life between communities along the border. Since 9–11, the number of restrictions has compounded and the complexity of the rules threatens to severely hamper our lives and the economy of our Nation. An example is the new truck inspection system and stations. Inside the stations, USDOT enforces a set of regulations. Just outside these stations, the Texas Department of Public Safety enforces truck regulations. Unfortunately, the rules are not the same, creating considerable confusion for drivers and companies.

As Senator Cornyn has said, “our immigration system is broken.” Thank you, Senator, for your legislative efforts, to address this problem and the effects of this system on our daily lives. Dinner, shopping and visiting friends in another country is something the border citizens in the US and in Mexico were used to doing on a regular basis. Our past, but more importantly our future, are inexorably linked, and separating our realities is impractical and will damage the economies and relationships between our countries.

Please know that we want our communities and nation to be safe. We do not want unsafe trucks on our streets or threats to our security, but we may all be experiencing an over-reaction that does not necessarily translate into increased security or safety. Further, there is concern that our border be treated equally with U.S.–Canadian border. We stand ready to work with you at the Federal level and the State level to address the challenges, and we believe that our direct and long-term experience with the issues of movement across a border would assist you in developing solutions. However, we need to be included in the formulation of these solutions and have the opportunity to help develop workable policies and regulations.

A second challenge that I see is just the physical infrastructure required to move the increasing volumes of trade. Approximately 80 percent of all U.S. trade with Mexico goes by truck and approximately 80 percent of that truck traffic crosses the Texas border. Therefore, 54 percent of all truck traffic carrying U.S.–Mexico trade comes through Texas. Some days it seems like all those trucks are on U.S.–77, U.S.–83 and U.S.–281 in the Valley.

Had we envisioned this decades ago, perhaps we could have planned our communities differently. But, long before there were trucks, we were river settlements with crossings to Mexico. So, all those trucks are funneled from the major highways onto roadways not designed for that type of traffic and too often on roadways with traffic lights, schools and normal urban traffic. This impacts us, but it also impacts businesses in San Antonio, Dallas, Houston, Oklahoma and beyond. These delays cost time and money, and they obviously affect our lives.

Two of the solutions to help with these problems of truck congestion and freight movement are interstate level highways into our region and improved direct connections, especially for trucks, from these highways to the bridges. Easy to say, but there is the persistent problem of the dollars to make these projects happen. Like Oklahoma, we would appreciate being something less of a donor State in terms of the fuel tax, but we recognize that even more fuel tax money will not necessarily supply the level of funds needed.

Texas took a bold step in the recently passed HB 3588, which will provide new financial tools at the State level. We thank Chairman Johnson, the Commission and the Department for their work on this landmark legislation. We are ready to work with you on passage of the constitutional amendment; Proposition 14, to allow TxDOT to issue bonds, on using regional mobility authorities to fiend projects and on encouraging the use of other tools such as development agreements and leases.

There are also some ways we can save dollars, as you have recognized Senator Inhofe, and as the Commission proposes in their “Texas Transportation Priorities” prepared for their work with the 108th Congress. The maze of our current environmental processes creates delays in projects and cost substantial money. If the results were tangible in terms of protecting our natural resources and creating new habitats, then it would be worthwhile. Unfortunately, far too often it seems, it is process that seems geared to collecting data and studies rather mitigating impacts

or improving the natural environment. You go from agency to agency, encounter conflicting rules, experience staff changes that send you back to square one and watch millions dollars being spent to produce huge and complicated documents. Trees are felled and energy consumed to produce stacks of paper in order to save forests.

As you have noted, Chairman Inhofe, it is time to re-think our environmental regulations in order to protect the environment and have a strong economy in the future. A side benefit will be the potential to dedicate more transportation funds to maintaining and building infrastructure, which can certainly include environmental features. I applaud your efforts at the national and State level to develop more efficient environmental processes, and I am ready to help you if I can be of assistance.

Chairman Johnson, I hope you will let me know what I can do to help with Proposition 14 and support your priorities as the work on reauthorization of the surface transportation continues. Chairman Inhofe and Senator Cornyn, if there is any information or assistance I can provide to you or your staff, then it would be my honor to assist.

Again, thank you all for visiting us in the heat of the summer, and for all the work you do for Texas and for these great United States.

STATEMENT OF CAMERON COUNTY JUDGE GILBERTO HINOJOSA

Good Morning. My name is Gilberto Hinojosa and I have served as Cameron County Judge since 1995. I thank you for allowing me to speak with you this morning on a matter of great importance to residents of our State as well as the nearly two million Texas residents who live along our international border. But before I do, I would like to thank Chairman Inhofe, Senator Cornyn and the members of this committee for the work they do in Washington. I would also like to welcome you Cameron County.

Over the last decade, Texas has passed New York to become the second most populous State in the Union. Rising birth rates and the influx of millions of new residents have caused our State's population to swell to more than 21 million persons. During that same period Cameron County has seen its population grow by 29 percent, from 260,000 to 335,000. It is easy to see the demands that growth has placed upon our infrastructure and the explosion of sustainable economic development in our communities. It has been said that if Texas is the front door of the United States' trade corridor, then Cameron County is the screen door.

While you would not think of it by looking at us, Cameron County, specifically the city of Brownsville, mirrors Detroit, Michigan, in that we both provide four modes of transportation for trade. We both have seaports, airports, rail and international bridges (highways). No other two cities in the United States share this distinction. However, we do have one major difference. Cameron County does not have direct access to an Interstate Highway, but I'll address that in greater detail later.

With the rapid development of NAFTA, our system has been overburdened due to an increased utilization of all modes of transportation. Like many border counties, Cameron County suffers an extra penalty from rapid growth because it is caught between two worlds. While sweeping economic changes and swift urbanization pull our region toward the future, the existing infrastructure is unable to keep pace. Compounded by dwindling availability of State funds, our local community is left to solve the problems created by increases in traffic and the subsequent congestion.

I want to discuss with you today is the reauthorization of TEA 21, now called The Safe, Accountable, Flexible, and Efficient Transportation Equity Act or SAFETEA. It is critical that SAFETEA addresses our existing and future needs, since this will be the only vehicle for new transportation projects over the next 6 years.

There are several issues that I would like to point out regarding SAFETEA and its construction. First, new language must be included that will provide funding for the maintenance of highways that meet interstate standards, connect international ports of entry and seaports. This will allow us to access vital funding and spur development that is not currently available through TEA 21.

Second, a narrower scope needs to be defined for international trade corridors. The Borders and Corridors Transportation Funding program was established to help border communities, and communities along international trade corridors, handle the increased traffic they faced from growing NAFTA trade. Unfortunately, the funding was heavily earmarked causing fewer dollars to be available for them and true international trade corridors. The resulting funds were diverted to the interior of the country and other non-trade international corridors. Shockingly only 14 percent of this funding ever made it to border communities.

We need your help to stop these diversions and redirect the money to its intended destination, the border areas. Border communities and international trade corridors play an important role in the overall national transportation system and they warrant their own programs and separate funding streams. Significant increases in funding levels, or even the percentage of funds available, for borders should be dedicated to communities that move the goods from border ports of entry to the national highway system. These funds could even go so far as to help with the implementation of the new and creative measures aimed at increasing security of our homeland.

As I mentioned earlier, the Rio Grande Valley is the only community not a part of the interstate highway system. With an over all population quickly approaching a million, not counting the hundreds of thousands who live and work across the river, we act as the one of the primary corridors for trade between the United States and Mexico. The quicker goods move through our communities the sooner they reach their destinations. South Texas, specifically Cameron and Hidalgo Counties must become a part of the Interstate Highway System for the good of not only our community, but the nation's as well. We need continued support of Federal funding for I-69. Currently, the Texas Department of Transportation has committed to let the contracts for the location and environmental studies on all segments of independent utility. The timely completion of these assessments will enable us to move forward on the I-69 program. However, we need additional funding for the I-69 portion in the State of Texas and the other I-69 corridor States. We recommend that priority be given to studies that emphasizes multi-modal planning, including planning for operational improvements that increase mobility, freight productivity, access to seaports, safety and security. We believe that locally I-69 will accomplish all that and more.

I am pleased to tell you that Cameron County will be investing approximately half a million dollars to improve access to the commercial primary inspection lanes for the U.S. Customs and Border Protection. What this will do is provide dedicated truck lanes for commercial vehicles approaching the import lot for the Federal inspection agencies. Ports of entry, such as the Veterans International Bridge and the Free Trade Bridge at Los Indios, should be allocated funding under the SAFETEA to provide dedicated truck lanes that connect the international bridges to the highway system. The movement of products would be greatly improved and the trade routes would become much safer and less congested.

The final issue I would like to address is the consolidation of existing railroad tracks and switching yards, more commonly know as railroad relocation projects. Cameron County has developed a plan that includes relocating existing rail lines and virtually bypasses the cities of Brownsville, Harlingen and San Benito. We plan to eliminate 100 at grade crossings and reduce the daily traffic volume at these crossings from half a million to just over a hundred thousand vehicles. With each crossing representing a moment of danger, we can easily deliver four hundred thousand vehicles out of harms way.

I am not overstating the case. Cameron County has ranked as high as fourth in the State of Texas in auto-train collisions. In the 1990's 197 auto-train accidents occurred resulting the loss of 15 lives. In Matamoros, Mexico, our international neighbor, 17 people were killed during the years of 2000 and 2001 alone.

In addition to accidents, derailments create major safety concerns locally as hazardous materials are transported via rail between Mexico and the United States through Cameron County. On top of this, daily switching operations block vital crossing and deny emergency vehicles access to highly urbanized areas of the county.

This is why I am requesting your support of Senate Bill 1329, which was introduced by Senators Lott and Kerry. This bill requires the Secretary of Transportation to implement a grant program that provides financial assistance for local railroad relocation projects similar to Cameron County's. Federal participation is crucial to the success of these programs. These projects not only promote more efficient trade, but they create safer communities.

Senators, managing growth so that it benefits the United States is a goal vital to the future of our community, and an objective that cries out for comprehensive planning and dedicated resources. We offer the plans and we look to you for the dedicated resources. The present situation threatens the future of our economic viability by limiting progress and hampering opportunity. By giving border communities and trade corridors these much needed resources for construction and highway maintenance you can help to protect the accomplishments of some of Texas' hardest working residents. And at the same time securing sustainable economic growth and trade. I urge you to act on the hope and promise of this new century.

Thank you for the opportunity to testify before you today, I humbly request that you remember Cameron County in your deliberations in Washington.

STATEMENT OF S.F. VALE, BORDER TRADE ALLIANCE

Chairman Inhofe, Senator Cornyn, my name is Sam F. Vale. I am a businessman here in the Rio Grande Valley involved in various aspects of cross-border trade as the CEO of the Starr-Camargo Bridge Company, as well as president of the local Telemundo television affiliate. But I appear here today as chair of the Strategic Planning Committee of the Border Trade Alliance, an organization of which I am a founding board member and for whom I have served as chairman.

As you may know, since 1986 the BTA has served as the voice for free and efficient trade for our border communities, north and south. Our mission is to initiate, monitor and influence public policy and private sector initiatives for the facilitation of international trade and commerce through advocacy, education, issue development, research and analysis, and strategic planning. Throughout our history, the BTA has had numerous occasions to testify before congressional committees such as this one, and we welcome the opportunity to join you here today.

I would like touch on a few topics here today that I hope will be of interest to the committee as it examines the state of affairs of our borders and our international ports of entry. First, I'll provide some comments on BTA's position on border region transportation funding. Second, I'll touch on the subject of border region infrastructure. Finally, I'll close with subject of great

importance to both the U.S.-Canada and the U.S.-Mexico borders: Entry and exit controls, or, as the entry/exit project is now known, US VISIT.

BORDER REGION TRANSPORTATION FUNDING ISSUE

In 1998, a program and funding stream was established to help border communities and communities along international trade corridors handle the increased traffic they faced from growing NAFTA trade. The funding for the Borders and Corridors program, sections 1118 and 1119 of the Transportation Equity Act for the 21st Century (TEA-21), will be reauthorized this year.

Background

In 1998, the Borders and Corridors Program was authorized at \$140 million per year for fiscal years 1999 through 2003.

A total of 43 corridors were identified in this program, with a provision to add corridors at a later date; and every border port of entry in the United States was eligible for funding. In addition, the designated funding stream was heavily earmarked, making even fewer dollars available for border communities and true international trade corridors, as funds were diverted to the interior of the country and other non-trade corridor projects.

The corridor applicants to the program were allocated 86 percent of the program funding, while border communities were allocated 14 percent of the funding.

Position

The Border Trade Alliance (BTA) supports the following changes in the structure of the Borders and Corridors Program:

1. Cease Earmarking. The BTA feels that earmarking puts politically weaker communities at a distinct disadvantage and reduces the overall amount of money available to the communities for which it is intended.
2. Split Program Funding. The BTA believes border communities and true international trade corridors are both important enough in the fabric of our national transportation system to warrant their own programs. The borders and corridors should each be allocated their own funding stream.

In addition, we encourage a significant part of the funding allocated for the borders be dedicated to projects within 50 miles of the U.S. border and that are directly related to the movement of goods from land border ports of entry to interstate highways.

The division of these programs will also help with the implementation of many of the new measures aimed at increasing the security of our homeland. Operations at our ports of entry play an integral role in the security of our borders and our supply chain. Additional funding, dedicated for borders, would help fund even more increased security measures at all ports of entry.

3. Define Ratios. The BTA believes a specific ratio of funding should be defined for the borders and corridors separated funding streams. We support a minimum split of 50 percent-50 percent. For the past five fiscal years, corridors have received

86 percent of the funding, while borders have received only 14 percent. It is time to make up that vast disparity and provide enough funding to the borders so that they may process ever-burgeoning trade and move it quickly onto true international trade corridors.

4. Increase Appropriations. The land border ports of entry and the trade corridors contribute billions annually to the economy of the United States. It is imperative that we fund the infrastructure improvements needed in order to continue reaping the benefits of NAFTA and other free trade agreements. The BTA recommends an annual appropriation of at least \$500 million dollars, split 50–50 between the borders and corridors.

5. Develop New Language Regarding Priority Ranking System. Small rural border communities that are not part of a Metropolitan Planning Organization are often left at the bottom of the priority ranking system by their States. The BTA recommends language be written into the law that would direct States, in their ranking of projects, to treat projects from areas without an MPO equally.

A final point, that is not directly related to the Borders and Corridors Program but that is relevant to border communities and transportation funding, is the issue of population based formulas used in determining a community's allocation of its State's total Federal funding. Currently, border communities are allocated money from their State's share of TEA–21 based on a population formula. This is insufficient. Laredo, Texas, for example, has 1 percent of our State's population, and is therefore allocated 1 percent of the TEA–21 funding from this State. However, Laredo, Texas is second in the Nation in the amount of trade traffic they process on a daily basis.

Border communities are also unique in that their metropolitan areas are not completely in the United States and therefore their total metropolitan area populations are not accounted for in population-based formulas. Border communities are often only blocks away from their sister cities on the other side of the border, a shorter distance than many cities that are grouped together in the Metropolitan Statistical Area within the States. We need to create formulas that take the unique geography and realities of border communities into account.

Status quo of the Borders and Corridors Program is unacceptable. The BTA believes that these changes will enhance the ability of goods to move quickly and efficiently through our ports of entry and into the rest of the country so that consumers may continue to benefit.

Border region infrastructure

The BTA has long called for improved infrastructure and technology at our land border ports of entry. The men and women who secure our borders while processing ever increasing volumes of trade deserve efficient facilities that make it possible for them to carry out their important jobs to the best of their abilities.

While the BTA does not take positions on individual projects proposed by various border communities, we can say that our borders need new and improved bridges, and new land crossing facilities. With the coming implementation of US VISIT, the Department of Homeland Security's entry and exit control system, the need to install modern functional infrastructure has taken on even great importance.

US VISIT

The Border Trade Alliance's various positions on border transportation and infrastructure are now colored by the coming implementation of the US VISIT entry/exit system. US VISIT is the acronym for the United States Visitor and Immigrant Status Indicator Technology Program.

According to a Department of Homeland Security press release issued on April 29, US VISIT "will utilize a minimum of two biometric identifiers, such as photographs, fingerprints or iris scans, to build an electronic check in/check out system for people coming to the U.S. to work, study or visit."

The BTA has been the border trade community's watchdog on entry/exit since the subject first arose in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, and the subsequent legislation that amended the 1996 law, the INS Data Management and Improvement Act of 2000, or DMIA.

According to DMIA, an integrated entry and exit control system is to be installed and the 50 largest land border ports of entry by December 31, 2004 and at all remaining land border ports of entry by then end of 2005.

As these deadlines inch ever closer, we in border communities are faced with the prospect of severe traffic congestion at our southbound lanes, and damage to our local economies as the hassle of crossing our borders increases, thus discouraging legitimate tourists and shoppers. It is vitally important to the continued economic health of border communities from San Diego to Brownsville that when US VISIT

is implemented that it is done in manner that is in the best interest of border communities.

The Department of Homeland Security claims that US VISIT will enhance traffic flow for individuals entering or exiting the U.S. for legitimate purpose by:

- Facilitating travel and commerce;
- Respecting the environment;
- Strengthening international cooperation; and
- Respecting privacy laws and policies.

If US VISIT is poorly designed and implemented and does not, as it claims it will, enhance the border crossing process, then we run the risk of inflicting economic damage on our communities the likes from which we may never recover.

The Border Trade Alliance thanks you for this opportunity to offer our testimony on these important issues affecting the Texas–Mexico border region. We are committed to ensuring that the border region's transportation, infrastructure, and security needs are met for the 21st century.

STATEMENT OF PAT TOWNSEND, MISSION ECONOMIC DEVELOPMENT AUTHORITY

Chairman Inhofe, thank you for your leadership; Senator Cornyn, we appreciate your return visit on this business of the Senate; and Chairman Johnson—thank you for being here today to share your agency's views. And, thank you, Mr. Stockton and Mr. Frankel for your visit and testimony. You have heard from many of our regional leaders today, and I hope I won't take too much time repeating what has already been said.

I am the President of the Mission Economic Development Authority, an organization charged with continuing to foster growth in the 4th fastest growing MSA in the Nation for the past 5 years according to the U.S. Census Bureau (and in the top 5 for the past 10 years). I want to briefly wrap up and touch on some things that were not mentioned but will have an impact on our highway infrastructure.

One of those is the Sharyland Plantation, a 6,000 acre master planned mixed-use community that currently includes 10 residential subdivisions, a growing retail sector, apartments, an extended-stay hotel, a 43,000-square-foot medical diagnostics center and a 900-acre business park, with 650 acres in foreign trade zone status. Several companies, such as Symbol Technologies, Black & Decker and T-Mobile, already have begun operations at the business park. And as Mr. Summers noted earlier, trade with Mexico is growing, and they are becoming an even more important trade link for our economy. The tenants at the business park all have direct ties to Mexico and will be responsible for even more U.S.–Mexico trade activity.

Some of these businesses expedite products being shipped from other States to Mexico, and others take products, assemble them in a finished product and ship them back in to our country. For example, Whirlpool is one of 6 companies in the McAllen/Reynosa area choosing a campus environment of 40–60 acres in size with end products resulting in as many as 100 trailers outbound from each campus, and nearly as many inbound. Some of Whirlpool's sub-assemblies are northbound through the heart of Texas to Tulsa, where Oklahomans turn them in to stoves. In spite of trends elsewhere in Mexico, we expect even more companies to join Whirlpool, Corning Cable and Maytag. We say that with confidence because Reynosa is the only city in all of Mexico not to show a loss in jobs in the maquiladora industry for the previous 2 years (INEGA 2003). So, our continued growth is linked to the economic growth of other areas in Mexico, Texas and in many parts of the U.S.

Another development in the Valley that will impact trade and our highway system is the proposed Anzalduas Bridge. It is expected to be complete in 2006 and much of this bridge is locally funded by the partnership of Mayor Franz's city, Hidalgo, and the cities of McAllen and Mission. This bridge truly represents an international partnership. The U.S. Border Station, TxDOT, area governmental entities and others partnered with the Mexican State of Tamaulipas and the city of Reynosa on this bridge project. This new bridge will have a direct impact on the Sharyland Plantation by providing a direct connection between the Sharyland Business Park and the business and industrial parks in Mexico. Key to this connection is Grupo Rio San Juan, owner and developer of approximately 16,000 acres of land containing the Mexican port of entry and a master planned community containing a large and growing industrial park, Parque Villa Florida, complimenting that of the Sharyland Business Park. A major tenant in Villa Florida is Black & Decker, whose presence has encouraged suppliers to locate on both sides of the border.

The Anzalduas Bridge has been planned to allow better highway connections and avoid disruptions for trade traffic. The U.S. port of entry is 3.5 miles south of Expressway 83 (future I–69), with 12 miles separating I–69 from the Autopista tollway

linking Reynosa to Monterrey, Nuevo Leon. Monterrey is the industrial capital of Mexico, with over 4 million inhabitants only 120 miles away. Our existing bridges strain to handle the current volumes of traffic, especially trucks. With 47 percent of all trucks and 30 percent of all vehicles using Texas land ports crossing the bridges in the Valley, new connections that link our border to major trade highways are the key. Trucks waiting at the border mean higher costs and lost profits. As per the terms of the U.S. Presidential Permit, the bridge will open accommodating passenger vehicles and incorporate commercial truck access as inspection agencies and GSA secure necessary congressional funding authority.

Links to our international bridges are also important now that our traditional traffic patterns are north-south oriented. The Military Highway (SH 1016/US 281) expansion is an example of how we can create additional connections between international bridges and relieve some of the traffic on U.S. Expressway 83, which is nearing or at capacity in some areas.

As you heard today, interstate service is extremely important for the Valley. We remain the single largest populated area in the Nation without interstate highway service. Several speakers have pointed to statistics on what I-69 would mean to the area, the State and the Nation, so I won't repeat those. The bottom line is that the Valley is already handling levels of truck traffic comparable to areas of the State that have interstate highway service. As an example, there are as many as 10,500 trucks on interior segments of U.S. 281 on any given day, which is comparable to I-10 in Harris County and I-45 in the Dallas area.

You have already heard today about our support for an amendment to TEA-21 or new language in the Federal reauthorization bill that will assist in designating highways that connect to U.S. deep water ports or U.S. ports of entry to the Interstate System.

You have seen the results of the just completed update to the regional mobility plan and heard about some other major transportation needs, such as rail realignments and additional east-west corridors, such as Military Highway. This project, by the way, could link bridges and help relieve traffic on U.S. Expressway 83, which as I mentioned is already overburdened though expansion work is barely completed in some sections. It is also a possible toll project, one that could serve as a model for coordinating preservation of important habitat areas and roadway planning and development.

By the way, a word or two about our regional mobility plan. This effort is 100 percent locally funded. A thank you is due to Valley elected officials and leaders for their support of this effort and their hard work on this project. It is really a unique effort given the large geographical area and coordination of multiple MPOs and rural areas. A note of appreciation to the Valley Partnership and Mr. Summers for his leadership over the last decade on this effort and to the very competent and professional folks from the Pharr District of TxDOT for their daily help with transportation planning, construction, and maintenance.

Mayor Franz already touched on the importance of streamlining the environmental process for critical transportation projects. President Bush's Executive Order in October 2002 for streamlining environmental review of important infrastructure projects, such as I-69, and your work Chairman Inhofe is exactly on point with our concerns.

You have also heard about some of the issues we confront daily as the result of heightened homeland security measures and immigration policies. We hope we will be included in discussions on future policies in terms of their impact on our communities, and look forward to working with you, Senator Cornyn, on the much needed reforms to the immigration system. We cannot stress enough how important it is that you be cognizant of historical, cultural and family connections on both sides of the Rio Bravo as you deliberate these issues.

As noted earlier, we are grateful for the hard work the Transportation Commission and our local legislative delegation has done this session. Commissioner Johnson, we are ready to help with efforts to educate our region about the importance of passing Proposition 14. And, Chairman Inhofe and Senator Cornyn, we are here to assist Congress with reauthorization of TEA-21 and to work with the Commission at the State level on this legislation, Trans Texas and their other plans.

Again, I want to thank you for being here today and for everything you do for our communities.

STATEMENT OF BILL SUMMERS, RIO GRANDE VALLEY PARTNERSHIP

Welcome Chairman Inhofe, Senator Cornyn, Chairman Johnson and other distinguished guests to the Rio Grande Valley. We know how you are all extremely dedi-

cated public officials, and you prove it today by journeying all the way to the tip of Texas in the heat of the summer to allow us to meet with you. Thank you and we are honored to have you here.

A special thanks to Ana Maria Garcia and the other staff who helped organize this meeting. We appreciate your hard work for this hearing and for all of us every day.

I am providing you with an Executive Summary of our Regional Mobility Plan for 2003 to 2030. This is the third time since 1992 that the four counties, the many cities of the Valley and three MPOs have joined together and taken a truly regional approach to transportation planning. Obviously, regional efforts can be stressful. When we started in the early 90's, I had a full head of wavy dark brown hair. But, it has been worth it. Because of leaders like you at the national level, leaders like Chairman Johnson at the State level and our fine local officials, we have accomplished some amazing things in the last decade. We are ready to do the same, with your guidance, in the coming decade.

Before mentioning a few of the priorities developed by the Mobility Task Force over the last year, it might be good to provide a little background on our region.

Last century, Texas and Oklahoma were being called the frontier. Our region is still the frontier, or "la frontera" as northern Mexico is known. We are the frontier and the door to trade in the Americas. What happens in our border area is important to the economy of Oklahoma, San Antonio, Houston and beyond. As you are all aware Mexico is growing and becoming more prosperous and able to buy more U.S. goods. U.S. trade with Mexico is now approximately \$250 billion. And, with the advent of new trade agreements with Central American countries, there is an increasing opportunity for trade growth. For example, the new Toyota facility in San Antonio may ship finished vehicles to Mexico and Central America, and the State of Oklahoma is continuing to ship increased amounts of exports to Mexico and Central America. Many of these shipments will be sent on trucks through the Valley.

We have opportunities, and we welcome the economic development associated with trade. Our population is growing extremely fast, and we are very fortunate to have a young population who will enter the workforce in the coming years. In the last decade, the Valley has grown by almost 40 percent, and almost 35 percent of that population is under the age of 18.

But, it is not just our population that uses the highway system in the Valley. Factoring in the 2 million people on the Mexican side of the border who come to the Valley to shop, work or conduct business, there are 3 million people in the bi-national metropolitan area and that figure is projected to be 6 million or more by 2030. Northern Mexico has undergone an economic revitalization in the last decade. It is now home to a number of new companies that are injecting new dollars into our economy. If it were not for the relationship afforded by the maquila program, then many of the jobs created in the US and Mexico would be in Asia or elsewhere.

While we welcome the benefits of these new opportunities, we have seen enormous increases in the level of truck and train traffic carrying goods to and from Mexico. There are now more than 500 at-grade rail crossings in the Valley and rail traffic is doubling. And, few people know that almost 1 out of every 2 vehicles crossing to or from Mexico and 30 percent of all truck traffic use the bridges in the Valley.

New developments in Mexico also impact our region. Later this year, Mexico will complete a new highway connecting San Luis Potos and Ciudad Victoria in Tamaulipas, and you are all invited to the dedication with the Partnership. This new route, shown on the back of the map, will cut four to 6 hours off the journey from Mexico City to the United States. This new route, which we have strongly supported, will bring even more truck traffic through our region.

The Rio Grande Valley Partnership has an office in Ciudad Victoria and has worked closely with officials in Mexico on this and many other projects. We recognize our important link to our southern neighbors. The bottom line is what happens in Mexico affects the Valley, the State and nation.

While this economic and trade growth is great, it results in two things critical to our transportation planning. First, our cities are growing out into rural areas and becoming more densely settled. Second, the trade traffic is added to the traffic of our region. Truck traffic has increased 143 percent in the Valley and traffic has increased 60 percent to 70 percent along U.S. 83 and U.S. 281.

We have to develop new roadways to move around and between our cities, and better connections from the bridges on through our region to the north. Now is the time to secure the needed right-of-way for the future. If we do not, then the cost will be astronomical in the future. Now is the time to explore dedicated truck lanes and new ways to finance needed improvements as I will discuss in a moment.

I'd would like to focus now on the Mobility Plan and touch on some of the major projects that are outlined in the Executive Summary inside the map. As you can see, interstate highway service is a major priority. Over 10 years ago, we joined together with cities and States from Texas to Illinois to establish the I-69 Alliance. Once complete, I69 will serve as the most direct trade route, connecting the industrial centers of North America through the primary border crossings. You will notice on the map cover, Mr. Chairman, will connect to your State more directly through I69 to I37 to I35, but we must get US 281 and US 77 up to interstate standards.

The interstate system was initially designed as an east to west system. But trade flows have shifted, particularly after the passage of NAFTA, from east-west to north-south, yet our infrastructure system has not evolved to reflect this change.

All total, I-69 Corridor States and States using the I-69 Corridor and/or its border-crossing ports account for over 63 percent of total U.S. truck-borne trade with North America. And, As Mayor Franz pointed out, approximately 80 percent of all U.S.-Mexico trade is by trucks crossing the Texas border. To remind you, in the Valley, we have no interstate level highway. The truck traffic on US 77 and US 281 goes through the middle of towns and school zones. Construction of I69, including interim improvements, is a major priority. And, we support, as I will discuss in a moment, the proposal to designation of I69 as an interstate in the Valley now because of the link to international bridges.

The plan also identifies the importance of improved connections to the bridges, expanded east-west connections between bridges and near the river and intercity loops. We have to plan these routes now and secure the land before development makes cost prohibitive.

We also have to work to shift some of our trade cargo to train. Chairman Johnson and the Commission are working on the Trans-Texas Corridor plan, which will include a high-speed rail system. Getting some of this cargo onto trains can help all of us. But, we must get the rail and switching stations out of the middle of our cities. Too many cities experience the safety problems associated with the increasing frequency and length of the trains. The Mobility Plan has identified a number of these new rail projects.

Chairman Johnson, the Task Force recognizes that it will be difficult, if not impossible, for the State to fund all of the statewide transportation projects, so, as I mentioned earlier, we are exploring creative funding solutions including Regional Mobility Authorities and dedicated truck lanes, to assist the development of construction plans. We welcome learning more about the potential for tolls as a means of needed projects, and hope to learn from Chairman Inhofe's State. I understand that the Oklahoma Turnpike System, through its PikePass programs, receives \$60 million annually from tolls and serves various areas in the State.

We are grateful for the Transportation Commission's vision and efforts, along with our local legislative delegation, to pass HB 3588 and HJR 28 (Proposition 14) this last session. Both measures will give Texas new financing tools to generate additional sources of transportation funding. We are ready to work with the Commission and help educate our community on the importance of this proposition. In fact, we are preparing some guest editorials and other public information to encourage voters to approve Proposition 14 in September.

We want to work with Congress on the Reauthorization of TEA-21. We believe that ISTEA and TEA-21 have been an integral part of making our transportation system safe, efficient and productive. They recognized the unique needs of the border area. We are seeking passage of an amendment to TEA-21 or new language in the Federal reauthorization bill that will allow our I69 segments here to be designated as interstates since they connect to a U.S. deep-water port or to a U.S. port of entry. This would allow those portions of U.S. 281, U.S. 77 and FM 511 in the Valley to be accepted as part of the Interstate System today.

Hopefully, SAFETEA will expand State and local funding flexibility as well as enhance and streamline the environmental review process for transportation projects. And, hopefully, it will help us with I69 and our other border-related transportation needs.

The Mobility Plan is the product of regional leaders recognizing the importance of looking beyond the needs of a given community and focusing on the needs of the region, State and nation. Your presence today indicates that you share in these beliefs. We are ready are work with and assist in any way we can. We thank you for coming here today and for everything you do for our region, our State and our Nation.

STATEMENT OF HON. SOLOMON P. ORTIZ, U.S. REPRESENTATIVE FROM THE STATE OF TEXAS

I want to thank Senator John Cornyn for arranging this hearing to talk about the important matters of transportation investment in South Texas. I'd also like to thank my good friend Senator Inhofe who happens to be my occasional constituent here in the Rio Grande Valley. The chairman is quite familiar with the needs of our community. I am currently on a trade delegation mission to the Far East, or I would be attending this hearing personally to deliver this message.

Our transportation system is the lifeblood of trade and commerce that flows through our communities and keeps jobs here in the Valley. The South Texas border has unfathomable potential, and enormous challenges, associated with rapid changes in transportation and infrastructure.

I hope today's testimony will substantiate the need for increased Federal funding for area roads and highways—like I-69—ports, bridges, and airports in the South Texas area.

This is one of those rare pieces of geography that accommodates a truly inter-modal transportation system, at the front door of NAFTA. The Rio Grande Valley sits between the worlds of North and Central America . . . on the Gulf Intracoastal Waterway . . . and between the Gulf of Mexico and the vast American Southwest.

In the very near future, we will have a land bridge in Mexico that will serve as a better means of transporting cargo from global markets all over the world, providing more options for shippers and fostering greater competition for transporting containerized cargo by way of rail, trucks or ship.

Just this month, the Port of Brownsville signed a sister port agreement with the Mexican Port of Manzanillo–Glipa on the coast of the Pacific. As an established partner with sister ports in China and Taiwan, the agreement with the Port of Manzanillo–Glipa completes the last segment of a route from Asia overland by rail in Mexico, through the Port of Brownsville, and into the Gulf of Mexico and onto the markets of the East Coast of North America and Europe.

The Rio Grande Valley sits at the crossroads of trade waters, interstates, and international borders—and in the midst of the trade that churns through our economy, both in South Texas and the Nation.

Again, I offer my thanks to Senator Cornyn and Senator Inhofe for their attention to this vital part of the State of Texas in hearing about our transportation needs. I look forward to working with both senators—and the Texas delegation in the House of Representatives—to include these priorities in appropriations bills now before Congress and in the upcoming Transportation Authorization bill (TEA-21).

STATEMENT OF HON. RANDY NEUGEBAUER, TEXAS STATE REPRESENTATIVE, TEXAS CONGRESSIONAL DISTRICT 19

Thank you for the opportunity to present testimony before this committee and its esteemed chairman. As the founding chairman of the Ports–To–Plains Trade Corridor Coalition I feel that I may be uniquely qualified to submit testimony on the issues before you today.

Beginnings

The United States is a young country that is continually developing its infrastructure. The Ports-to-Plains Trade Corridor is a visionary approach to investing in our future by providing access and improving safety for rural communities located in the central part of the United States.

In 1997, the City Council of Lubbock, Texas set a lofty goal. They decided to pursue the designation of a National High Priority Corridor (a NAFTA Corridor) that would serve the Central United States with a North / South trade route from Mexico to Canada. In 1998 the Coalition was organized along IH-27 with 12 member communities. They adopted this mission statement:

The Ports-to-Plains Trade Corridor is an uninterrupted multi-lane divided highway that will transport goods and people from Mexico and the Border Region through West Texas, Oklahoma, New Mexico, Colorado, and ultimately Canada and the Pacific Northwest.

In five short but very eventful years, Ports–To–Plains has grown to over 70 members including businesses, cities, counties, chambers, economic development groups, colleges, universities, and individuals along the route. And together they have accomplished phenomenal results.

In 1998, the city of Lubbock, on behalf of the Ports-to-Plains Corridor commissioned a feasibility study to:

- Analyze trade and transportation issues together

- Determine if a case can be made to support a Ports-to-Plains Corridor
- Recommend specific Corridor routes

This was the first time a study had been conducted along the corridor that analyzed trade and transportation issues together. They found that the route was feasible based on international trade, traffic, existing roadway conditions and on existing regional support.

Trade

In order to have trade you must first produce something to sell. Since 1990 the Gross Domestic Product of the NAFTA trading partners has grown significantly. The U.S. GDP has grown 5.7 percent per year. Canada's GDP has grown at a respectable 2.6 percent per year while Mexico's has grown at an incredible rate of 9.1 percent per year. With this type of output available and NAFTA in place the trade of the three partners has significantly outpaced all other international trade. Between 1994 and 2000 International trade grew at an average rate of 8 percent per year. NAFTA trade grew at an average rate of 11 percent per year. During the same timeframe U.S. trade with Canada grew at a rate of 8.9 percent per year with trade between the U.S. and Mexico growing at an incredible pace of 16 percent per year.

The following illustration represents a growth rate just 13 percent per year projected out to the year 2010.

The result will be 400 percent growth in trade (and traffic) by the year 2010. That is just 7 years away.

Traffic

Any way you measure it, 70 percent of this trade will travel by truck. All modes of transportation will struggle to keep pace with the demand. Truck transportation is able to adjust more quickly than others BUT the roads and highways they travel are not keeping pace with the demand. The next graph illustrates the distribution trade traffic among the different modes available.

Since 1994 truck crossings in at Texas border stations are up 250 percent. Since 1990 commercial mileage in Texas is up 37 percent. Texas corridors carry up to 90 percent of U.S. / Mexico truck trade.

The Ports-To-Plains corridor is well positioned to take advantage of this opportunity by offering a far less congested route that connects Texas to far less congested border crossings at Del Rio and Eagle Pass. The infrastructure of Coahuila, Mexico is being improved rapidly to connect to these border crossings to try and alleviate the current congestion being felt at other border stations.

Roadway Conditions

In 2001 the Texas Department of Transportation (TxDOT) completed a Route Identification Study that further served to clarify the best route for the Ports-To-Plains Corridor. The final route designated by Congress is represented by the following map:

This route was chosen for several reasons. Chief among them were the significant miles of four-lane highway already in place. Roughly 50 percent of the 1200 + mile route is already multi-lane divided highway. This is basically represented by the "heart" of the route from San Angelo north to Stratford. This route is unimpeded by air quality problems and dollars invested go further in construction than in more congested parts of the State.

Regional Support

With over 70 diversified member organizations it is easy to see why Ports-To-Plains has been able to garner significant support to address the issues at hand. They have successfully pursued three significant Federal legislative efforts resulting in their final designation as NHP Corridor 38. They have pursued and won inclusion in Unified Transportation Plans (UTPs) in Texas, Colorado, Oklahoma, and New Mexico. They have also successfully pursued legislative efforts in Texas that will result in increased transportation funding for the entire State.

Corridor Highlights

The membership has accomplished a great deal with a great deal of help from Federal, State and local officials. The pieces of our highway puzzle are falling into place. Here is a partial listing of those highlights:

- General Corridor Designation
- Feasibility Study Completed by Coalition
- Ports-to-Plains Strategic Plan
- 1st Phase of Trunk System Funding
- 3 Summits (1 Amarillo & 2 Lubbock)
- Marketing Materials

- Website www.ports-to-plains.com
- Four State Route Identification Study
- Established 501 C6 Corporation
- Full Time Staff
- Economic Development Research Project
- Eastern Colorado Mobility Study
- Route Designation in Oklahoma May, 2001
- Route Designation in Texas June, 2001
- Route Designation in Colorado July, 2001
- Four State Consensus on Route July, 2001
- congressional Designation of the Route
- \$24.6 Million in Federal 2002 & 2003 Funding
- Retained Federal Legislative Consultant

Cooperative Efforts

Not only do the Coalition members cooperate well with each other, the organization has established a reputation for leading cooperative efforts with other transportation coalitions such as Spirit 54, La Entrada al Pacifico, and TEX-21. All of the transportation corridors of Texas desperately need infrastructure improvements if the State is going to be able to keep pace with transportation growth demand.

Ports-To-Plains has also joined forces in a cooperative venture with two additional multi-State corridor coalitions in an effort to truly join the NAFTA trading partners "at the hip" in the Great Plains Region. The Heartland Express (NHP14) and the Theodore Roosevelt Expressway are working with Ports-To-Plains to establish the Great Plains International Trade Corridor. The following map represents this multi-lateral effort:

To complete the package the Ports-To-Plains Coalition is scheduled to make a presentation in September to a transportation conference in Saskatoon, Saskatchewan Canada. We are also scheduled to meet with the Governor of Coahuila, Mexico in September. Both meetings are designed to begin the process of designating the trade route in their respective countries.

Economic Development

Since this country was founded, two elements have been crucial in ensuring its growth and survival. Those two elements are trade and transportation. These two interchangeable entities involved not only the exchange of goods and services, but also that of information and culture. The Ports-to-Plains Coalition understands the urgency to improve transportation and to establish better trading patterns. There membership is striving to achieve this goal.

The Ports-to-Plains Trade Corridor is a link to international and domestic trade markets as well as to the future economies of the United States, Mexico, and Canada. The Corridor will connect existing roads, develop intersections, and construct new portions of highway. According to the Texas Department of Transportation, the route will serve more than 5 million people.

From a business perspective, the Ports-to-Plains Trade Corridor is an investment in economic development for member organizations. In addition, agricultural industries will see increased returns from the route due to the strong agricultural ties with communities along the Corridor. Raw commodities and heavy industrial equipment will be transported easier and at higher profitability for both producers and freight carriers. In addition, the Ports-to-Plains route will increase opportunities to further develop less-congested ports of entry along the Texas / Mexico border.

The development of the Corridor, utilizing I-27, will provide alternate trucking routes around developed areas and congested corridors in metropolitan areas suffering major air quality problems. The Ports-to-Plains Corridor will connect to less congested ports of entry on the Texas / Mexico border. It also will allow the rural and urban principle arterial routes to serve as a gateway for major ports, airports, international border crossings, public transportation facilities and intermodal transportation facilities serving interstate and inter-regional travel.

Through the Transportation Equity Act for the 21st Century (TEA 21), the Ports-to-Plains Trade Corridor has been designated a high priority corridor. This makes the route eligible for Federal funds designated for the coordinated planning, design, and construction of corridors of national significance, economic growth and international or inter-regional trade. The entire Ports-to-Plains route is on the National Highway System and the Texas Trunk System and more than 50 percent of the route is already a four-lane divided facility.

When you talk to any business executive looking to relocate their company, you invariably hear the same question: Does your area have the infrastructure to sup-

port our needs through good distribution routes? If you can answer yes, businesses will locate to your city so they can have access to major highways.

This highway corridor through the heart of America via Texas, Oklahoma, New Mexico and Colorado has the potential to enhance economic opportunities in those States. The Ports-to-Plains Corridor offers an opportunity to target an under-developed part of the country by focusing on balanced growth. Also, the Corridor presents an opportunity to develop new border crossings with Del Rio and Eagle Pass, Texas, while still connecting to the border crossing in Laredo. With its proximity to other interstates and existing national highways, the Corridor opens a sorely needed North / South route that currently does not exist in the region.

Local governments and private organizations along the route have committed over a million dollars to the Ports-to-Plains Trade Corridor Coalition. They are putting their money where their needs are and making an investment in their future.

Future Focus

Today, with increased membership and support from member organizations, State and Federal funding, and legislative support, all signs point to success for the Ports-to-Plains Trade Corridor

What was once a modest dream shared by a handful of business people and politicians has now evolved into an international project with a full-time staff and a board of directors. The 19-member Board of Directors is made up from member communities all along this great highway. Working together the Coalition has had great accomplishments BUT there is still so much to do. The Coalition's strategic plan calls for focus on the following efforts:

- Inclusion in Four State UTPs
- Corridor Management Plan
- Implement Strategic Plan
- Market Corridor
- Balanced Growth for the Region
- Attract Businesses to the Region
- Promote Safety for Route (2 lane to 4 lane)
- Northern / Southern Connections
- Position Corridor for TEA-21 Re-authorization
- Coordinate Local PTP Task Forces
- Construction of Corridor Segments
- Alternative Financing
- Construction of Reliever Routes
- Uniform Signage of NHP's
- Map Designation for NHP's
- Expand the Membership
- Educate / Spread the Word
- Pursue Intelligent Transportation Data Systems

Funding Crisis

As far as U.S. trade with Mexico is concerned "all roads lead to Texas". In a very real sense this situation is critical. As illustrated by this map, over 80 percent of this trade traverses Texas highways.

NAFTA Trade Patterns

Along with the NAFTA demand for transportation services there have been many more issues that impact the need for transportation funding. Among these are population growth, demographic shifts, and increased mobility. Since 1970 the U.S. population has grown by more than 35 percent. The Texas population has grown by more than 100 percent and is expected to grow by at least another 50 percent by 2025. Licensed drivers have increased by 62 percent and licensed vehicles have increased by 90 percent. During the same timeframe total miles driven has increased by 132 percent. Our infrastructure development is falling behind fast. Since 1970 our highway capacity has only increased by 15 percent.

If we are to meet the challenges ahead we must find a way to significantly accelerate transportation construction in this region. Traditionally, funding of highways has been based on traffic counts, engineering studies, and Federal requirements. However, with a new focus on corridor extensions being proposed by TxDOT, a new kind of thinking has emerged, the kind of thinking that will shape the demographics of this State. We will be able to position Texas with a transportation system that will help the economy grow. We realize long term transportation planning and implementation determines the regions that will be populated in the future while creating economic development opportunities. With this in mind, rural areas of the

State should be ensured access to transportation facilities that assist in their growth and development.

Investing in expansion of four-lane divided highways would provide a more efficient road system for Texas and develop opportunities for growth of rural areas. The Ports-to-Plains corridor is one example of the tremendous potential for expansion and growth opportunities. With its proximity to other interstates and the existing national highways already in place, the Ports-to-Plains initiative could prove to be an economic development engine for the Western portion of Texas, Oklahoma, New Mexico and the Eastern Plains of Colorado.

We think TxDot's concept of focusing on completing corridors is very timely considering the impact trade is having and will continue to have on Texas roads. We particularly like the improvements planned along the Ports-to-Plains Corridor route. NAFTA has played a major role. With this in mind, the Ports-to-Plains corridor should position itself now for economic opportunities in the future. Coordination between transportation investments and local and regional economic development and trade related goals will help ensure that Texas, Oklahoma and Colorado remain competitive as States vie for capital investments and jobs to keep up with growth patterns brought on by a healthy economy and the continued increase in trade. We need to view transportation strategically and place ourselves in the best position to trade on a global level. West Texas needs sound infrastructure and good distribution routes in order to respond to current and future demands. Accessibility for businesses to be able to transport goods between markets, producer, and distributors is essential in today's market place.

Taking advantage of trade opportunities will require corridor alternatives and non-traditional project criteria. We need to look beyond our borders and serve as the gateway for international trade.

Conclusion

ISTEA and TEA-21 both represented significant positive steps for transportation infrastructure funding in this country. With the enormous impact of NAFTA and demographic shifting much more is needed soon. The bottleneck created by increased trade at the busiest border crossings has made investment in less congested border stations a necessity.

The Ports-to-Plains Trade Corridor runs through one of the largest agricultural regions in the United States and the World. Today, the vast majority of the State's raw agricultural products—from cotton to cattle—are prepared for sale or consumption in retail markets outside the State. There is an ever-increasing need to ship products from this agricultural region to various markets throughout the United States and abroad. The Ports-to-Plains Trade Corridor will serve as a catalyst to develop this under served area of our country. It will ensure that our farmers, ranchers, and businesses have a direct route to ship their goods.

The Ports-to-Plains Corridor is strategically positioned to take advantage of national and international commerce. There is room to grow along the corridor because of a lack of congestion as compared to other heavily congested corridors. This corridor is a true gateway to the Nation and the rest of the United States.

Benjamin Franklin said trade never hurt a nation. The same cannot be said for those areas that have to endure long wait times as congestion continues to weigh heavy in the urban parts of other corridors. This is a major concern in Texas and other States on other corridors that are experiencing problems with bottlenecks along major arteries.

Transportation is the cornerstone of any economy. Transportation infrastructure is crucial to our communities and it is an integral part of developing an economic engine. The Ports-to-Plains Corridor goes through some of the largest commodity producing areas of the country. We are building our corridor in a series of routes. Being able to tie our regions together is important in moving goods from its origin to the final destination points. We have worked well with other corridors and learned that the key to success is to connect to other existing routes that can enhance opportunities along the main route.

Because about 80 percent of all truck and rail traffic goes through Texas and places a disproportionate weight on Texans, we need more funding from the Federal level. The benefit will touch the State of Texas and other States that connect to our route.

Mr. Chairman, I thank you and I appreciate the opportunity you've given me to present this information. The Ports-to-Plains Trade Corridor is a project that I, and many others, have worked hard on through the years. As we develop this route and link to other States, we will develop the backbone for increased trade in Texas and for the Nation.

REAUTHORIZATION OF TEA-21: REGIONAL TRANSPORTATION ISSUES

THURSDAY, AUGUST 14, 2003

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Medford, Oregon.

The committee met, pursuant to notice, at 9 o'clock a.m. at the City Council Chambers, Medford, Oregon, Hon. Ron Wyden [acting chairman of the committee] presiding.

IMPACT ON THE ECONOMY OF THE PACIFIC NORTHWEST

Present: Senator Wyden.

OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM THE STATE OF OREGON

Senator WYDEN. The committee will come to order. Does it appear that the microphones are on?

Mr. FRANKEL. The green light is on.

Senator WYDEN. Very interesting, the light on means mike off; light off means mike on. OK.

Mr. FRANKEL. So we turn the light off.

Senator WYDEN. We turn the light off.

Mr. FRANKEL. Is this the way they do things in Oregon?

Senator WYDEN. We are always seeking to be unique. Today the Senate Committee on Environment and Public Works is pleased to be here in Medford in beautiful Southern Oregon to have a chance to listen on important issues. I want to express my appreciation first on to Chairman Inhofe.

He has always been very gracious and tried to work on these issues in a bipartisan way. Thanks go also to Senator Jeffords, the senior member on the other side of the aisle, for his cooperation. Today we are going to be zeroing in on what is my No. 1 priority: that is, to find ways to grow Oregon's economy and to create jobs.

My view is that the best way is to increase transportation funding in our country and, of course, to get a fair share of the money for our States. The U.S. Department of Transportation estimates that every \$1 billion additional funding creates 50,000 good paying, family wage jobs and roughly \$6 billion in total economic activity.

In addition to the direct economic benefits, funding critical transportation projects can relieve highway congestion on I-5 and other key commercial routes. That congestion threatens the movement of freight and stalls our economy in addition to the frustration it causes drivers who are stuck in traffic jams.

Compounding the problems for commercial traffic is the State's growing bridge problem. Oregon has many, many aging bridges that are cracking and must be repaired or replaced.

The Oregon Department of Transportation estimates the cost of fixing all the problem bridges at \$4.7 billion. Even more staggering than the cost of the repair bill is the potential cost of inaction. The State faces huge economic losses if these bridges are not repaired. The estimated impacts are \$14 billion in lost productivity and 16,000 lost jobs.

Now, there is a strategy that brings people together. Increasing transportation funding cannot only meet our State's growing transportation needs, it will put people back to work and put our State's economy on the road to recovery.

Our State has shown that transportation is a critical investment for our future by passing transportation funding packages in the last two legislative sessions. What they've done in Salem could be a roadmap for Congress as we tackle transportation funding.

We've been a pioneer in creating new ways to fund transportation such as selling bonds back by revenue from vehicle fees. Our State has shown transportation projects and economical growth can be done in ways that protect and even enhance our quality of life.

It is time for the Federal Government to think outside the gas tank as well.

Senator Jim Talent of Missouri and I have sponsored legislation to issue \$50 billion of Federal bonds to fund all sorts of transportation projects. We call our program "The Build America Bonds Program" to give our citizens a chance to make a special investment in the country that can help heal our economy and create jobs.

The Build America Bonds Program would also provide much needed relief to truckers who need to detour miles out of their way to avoid weight-limited bridges and to anyone in danger when they drive treacherous, badly maintained roads.

Senator Smith and I have a bipartisan agenda for our State. We meet weekly to go over it, and he shares our commitment to getting Oregon's fair share of transportation funding. That's why this has been an essential part of our bipartisan agenda for Oregon for this session.

Unfortunately, Senator Smith could not be with me today, but I'd like everyone to know that Esther Kennedy, Senator Smith's Southern Oregon representative, is here to represent him.

Where is Esther? This is Esther. We welcome you and thank you for all of your assistance.

We're also pleased to have here Emil Frankel, Assistant Secretary of Policy at U.S. Department of Transportation. He faced a variety of transportation challenges just in terms of getting here.

Mr. Frankel, we're grateful that you would come and speak today for the Administration and to listen to what Oregon's transportation business and labor leaders have to say about the needs of our State and transportation arena.

We're also pleased that our Transportation Chair, Stuart Foster, who has been very helpful to us on a variety of issues is here as well as ODOT Director Bruce Warner. Then Jackson County Commissioner Sue Kupillas who has done such important work for

Southern Oregon will be testifying and heading up the Medford area's transportation planning as well.

On the second panel, we're pleased to have Bob Shiprack, Executive Director of the Oregon Building Trades arena and our business leaders, Mike Burrill, Brad Hicks, and Peter Kratz. And I want to thank all of our witnesses.

Why don't we begin first with you, Mr. Frankel. If everyone could take five to 7 minutes or thereabouts, we can have everybody's presentation, and then we'll have some questions.

Mr. Frankel, welcome.

STATEMENT OF HON. EMIL H. FRANKEL, ASSISTANT SECRETARY FOR TRANSPORTATION POLICY, U.S. DEPARTMENT OF TRANSPORTATION

Mr. FRANKEL. Senator, thank you very much. And it's a great pleasure to be here in Southern Oregon. Thank you for the opportunity to be here. I would ask that my written statement be made part of the record of this hearing.

Senator WYDEN. It will be done.

Mr. FRANKEL. Let me say, as I was saying prior to this hearing, this is not my first visit to Medford and to Southern Oregon. I was not expecting to be back so soon.

I was actually here about a month ago. My closest friend for over 50 years, Dr. Seth Weintraub, who grew up in Connecticut and spent his professional life in Florida, moved to Jacksonville, OR, about three or 4 years ago. He thinks that this is the most wonderful part of the United States.

So, when I was in Portland for a conference about a month ago, I came rushing down here to visit him. It's been wonderful not only to be here with you and others, but to visit with him again. I agree with him—this is one of the great parts of the United States.

This year, 2003, as you mentioned, is an extraordinary year for transportation issues. We have before us the reauthorization of the surface transportation programs, the reauthorization of the aviation programs, and, hopefully, consideration of a multi-year authorization of intercity passenger rail programs.

There are few people, as your constituents know, who are in a more important position with regard to those issues than you. You are a member of the two key transportation committees in the Senate. While this is a field hearing of the Environment and Public Works Committee, I also will be talking a little bit about intercity passenger rail because you are a key member of the Senate Commerce Committee.

As you know, Secretary Mineta has stated often that there are few things that have a greater impact on our economic development, growth patterns, and quality of life than transportation. This is equally true at the national, State, and local levels. A safe and efficient transportation system is essential to keeping people and goods moving and communities prosperous.

Since the enactment of TEA-21, combined investment in highways constructed by all levels of government has increased sharply. Total highway expenditures by Federal, State, and local increased by 25 percent between 1997 and 2000 and the increased Federal funding levels for highway capital investment under TEA-21

through 2000 have been matched and exceeded by increases in State and local investment. And that's certainly true here in Oregon.

Despite this progress, significant challenges remain. Building upon the principles, values, and achievements of the ISTEA and TEA-21, the Administration's reauthorization proposal, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003, SAFETEA, which seeks to create a safer, simpler, and smarter Federal program.

SAFETEA calls for a record Federal investment in surface transportation spending over \$201 billion on highway and safety programs and nearly \$46 billion on public transportation programs from fiscal years 2004 through 2009. The Administration's proposal marks a 19 percent increase over the amounts provided in TEA-21.

One of main focuses of the Administration's proposed reauthorization legislation, SAFETEA, is transportation safety. Although we have made improvements in the rates of fatalities and injuries on our highways, the total numbers remain intolerable, and they are rising. In 2002, nearly 43,000 people lost their lives on our highways and roads. Families are destroyed, promises lost. The economy costs are unacceptable as well. The total annual economic impact of all motor vehicle crashes exceeds \$230 billion, a staggering figure.

SAFETEA proposes the creation of new core funding category dedicated to safety within the Federal-aid highway program. This new category will more than double funding over TEA-21 levels for highway safety infrastructure programs. The Administration is also seeking, as you know—and this is through the Commerce Committee—to consolidate and simplify the safety programs administered by the NHTSA.

SAFETEA would enhance the capacity and flexibility of State transportation and safety officials to target scarce Federal safety funds on the most relevant problems facing their communities. Incentive bonuses will reward those States that achieve demonstrable safety results. Oregon particularly should be commended for its outstanding safety record, including an impressive 88 percent safety belt usage rate.

In 2002, Oregon saw its total fatalities drop 12 percent from a year earlier. In fact, 2002 marks only the second time since 1956 that the annual number of fatalities has been less than 430. Considering the fact that the State's population has doubled, this is a truly remarkable achievement and an example to and model for other States.

Unfortunately, other States have not taken safety issues as seriously as Oregon has. The majority of States have not enacted primary safety seat belt laws, despite overwhelming evidence linking such laws to improved reduction in fatalities. Enactment of the safety provisions in SAFETEA would be an important step in reducing highway fatalities and injuries. We welcome the support of the Commerce Committee in moving forward many of the key features of SAFETEA.

SAFETEA seeks to improve transportation in other important ways, as well, including improving project delivery efficiency, em-

phasizing freight and goods movement, reducing congestion, and enhancing intermodal connectivity. Our proposal addresses the transportation problems of national significance while giving State and local transportation decisionmakers such as my colleagues on this panel, more flexibility to solve transportation problems in their communities.

SAFETEA would increase State and local government flexibility by eliminating most discretionary highway programs and making these funds available under the core formula highway grants programs. States and localities have tremendous flexibility and certainty of funding under these core programs. SAFETEA would also establish a new performance pilot program under which States can manage the bulk of their core formula highway program funds on a performance basis of cross modes.

The Administration believes that we can and must protect our environment while improving the efficiency of transportation project delivery. To accomplish this goal, SAFETEA would clarify the role of States or project sponsors and expedited review procedures, particularly regarding the establishment of time periods for environmental reviews, the initiation of dispute resolution procedures, and the preparation of Environmental Impact Statements.

Again, an area you questioned me on, when I was before EPW, was environmental streamlining. I hope that our proposals move in a direction that you wanted, in terms of enhancing project delivery, while protecting the environment.

The health and productivity of our Nation's economy is increasingly tied to domestic and international goods trade. The importance of the movement of freight is evident here in Oregon. On an average weekday, Oregon highways move nearly 800,000 tons of goods worth over \$480 million. I-5 is one of the most heavily traveled truck-freight corridors in the Western United States.

I can attest to that. On my trip from Portland to Medford a month ago, I experienced the traffic congestion. Seattle to Portland truck tonnages rank among the top of Western metropolitan area truck trade interchanges. Oregon companies export over about \$10 billion worth of products to foreign nations.

SAFETEA enhances our Nation's freight transportation system in a number of ways. First, the bill invests the National Highway System Program funds in the often neglected, but critical "last mile" roads that connected the NHS to intermodal freight facilities.

Although these roads do not represent a significant portion of the total NHS mileage, their health is critical to intermodal freight activity in many parts of the country. And I know that's an issue here, not only in terms of Portland, but also smaller ports and gateways and intermodal freight facilities.

Second, SAFETEA makes several innovative financing tools available for private intermodal freight projects including amending TIFIA to make it more available in these circumstances as well as authorizing so-called private activity bonds for use in intermodal freight projects and highway facilities.

Finally, SAFETEA requires States to designate a freight transportation coordinator to foster private and public sector collaboration to enhance intermodal freight movements.

SAFETEA also provides valuable new tools for States and localities to manage existing and new capacity more efficiently. And these tools would be particularly beneficial in heavy trade corridors where congestion is both more likely and more costly.

In addition, the significant amount of funding provided through the core programs, all these innovative proposals could be used to upgrade or improve the major trade corridors like I-5, which as I mentioned, is one of the most congested corridors.

Working with the Portland/Vancouver, Washington I-5 Transportation and Trade Partnership and with our State partners in Oregon and Washington, USDOT is excited to begin the process of implementing that partnership's comprehensive, strategic vision of highway, transit and rail capacity expansion, better system management and environmental protection.

Finally, as I mentioned, I'd like to touch briefly on intercity passenger rail. As you know, the Bush Administration recently transmitted to Congress the Passenger Rail Investment Reform Act of 2003, the first comprehensive proposal to fundamentally reform the Nation's intercity passenger rail system in 30 years.

The Administration's proposal would bring investment in intercity passenger rail in line with all other transportation modes by creating a system in which States and local communities, using capital investments supported by Federal funds, operate rail service in their areas.

This proposal builds on proven models of success in attracting riders and providing quality service for travelers, such as the Cascades service between Portland and Seattle and other State-funded trains in California and Illinois.

States and multi-State compacts would submit proposals for passenger rail capital investment and train operations to the USDOT. Ultimately, States would be free to choose the train operations provider of their choice, whether a private company, a public transit agency, or Amtrak.

We don't claim to have all the answers. I know that you have some substantive points of disagreement with the Administration's proposal, but I do hope that it has stimulated debate about fundamental issues. I do think—and perhaps we can talk about this more—that it is important to recognize the need to change the current model. Together we should try to reach consensus on a model that can be more successful, more sustainable, more supportive of States like Oregon, which has invested so much of its own money in this.

These are challenging and exciting times for the Department, for Congress, and the entire transportation community. We must work together for long-term reauthorization of surface transportation and intercity passenger rail programs.

Enactment of these bills is critical, not only for funding stability, but also to implement innovative reforms that will provide more revenue dollars without raising taxes and produce cost savings through more efficient investment of the dollars that are made available.

Senator Wyden, this concludes my statement. I thank you again for the opportunity to testify here in this wonderful part of the United States. I'll be pleased not only to respond to any questions,

but I'd also like to listen to my colleagues from the State and local level, and to hear what they have to say about transportation. Thank you very much.

Senator WYDEN. Thank you, Mr. Frankel. We're very glad you're here, and again note that it was a challenge for you to make your way across the country. We appreciate it. I'll have some questions here in a moment.

Mr. Foster, we welcome you and know that you have put in a lot of years of yeoman service for Oregon on these issues. Go ahead, and I'll be anxious to hear your thoughts.

**STATEMENT OF STUART FOSTER, CHAIR, OREGON
TRANSPORTATION COMMISSION**

Mr. FOSTER. Thank you, Senator Wyden.

We really appreciate this opportunity to discuss the reauthorization of TEA-21. As you know, I'm the Chair of Oregon Transportation Commission known as OTC, and I also really appreciate you holding these hearings in Medford. I'm a resident of Medford, long-term resident of Medford, and a small business owner in Medford.

On behalf of the commission and ODOT, we'd like to express our appreciation to the committee and to you for your part in drafting TEA-21. I know you were a leader in getting Oregon additional funds in that.

When that was done 6 years ago, it resulted in Oregon getting 50 percent more funding than it had before. So thank you very much, Senator.

Senator WYDEN. You're welcome.

Mr. FOSTER. Looking ahead to reauthorization of TEA-21, the State's developed a position paper on reauthorization together with the Association of Oregon Counties and the League of Oregon Cities. I've submitted a copy of that position paper with my written testimony, and our No. 1 priority is to increase funding in the State of Oregon for the State of Oregon.

There are three compelling arguments why Oregon should have its former funding increased in the next bill. As you pointed out, we have a tremendous bridge problem in Oregon, a \$4.7 billion bridge problem. It's simply too large for us to deal with on a State basis.

Without Federal help, more bridges will be weight limited, affecting the movement of freight not only within the State or nationwide. Second, experts forecast, notwithstanding the amount of freight traffic that we have now on the Interstate system, that freight traffic in the Pacific Northwest will outpace the national average.

The State's aging transportation system and congested freight corridors such as I-5, particularly in the Portland area, will not be able to accommodate this growth without greater Federal investment.

Third, Congress should recognize the effort the State of Oregon has made to address the bridge problem and growing congestion. That's not only the State of Oregon, but local government. For example, the city of Medford is going to contribute \$15 million to rebuild the South Medford Interchange on I-5.

The Governor and the State Legislature recently enacted a State funding package that, when bonded, will generate \$2.5 billion, 1.9 of which will be dedicated to repair and replace deficient bridges and \$100 million is dedicated to projects that improve freight mobility.

Prior to adopting the position paper, OTC and our local partners took considerable time discussing the issue of high priority project earmarks. It is important for the Committee to understand how these earmarks impact the State and local communities.

There are three thoughts I'd like to leave with you: First, when earmarks partially fund a project and the project sponsor, for example, local government, does not have funding set aside to make up the shortfall, other projects that have been vetted through the public involvement process are delayed or canceled to free up funding for the earmarked project.

Second, when funding is earmarked for a project that has not been evaluated by a State or regional prioritization process, those that play by the rules are penalized.

Last, if funding is earmarked for a project that has not cleared most Federal and State environmental requirements, construction will not begin for many years, thereby losing the immediate benefit to the State of funding projects that are ready for construction, which as you pointed out, is important in light of Oregon's economy for us to be able to get these projects on the ground and going. So we need to have earmarked projects that are ready to be built.

Based on our experience with TEA-21, we strongly urge you to fully fund the high-priority projects identified by the Commission. The Commission worked very closely with our commissions on transportation known as ACTs to develop this list of projects. The funding has been set aside for these projects so, if they are earmarked, we will be able to build them. The Governor and the Commission want to do everything we can to put Oregonians to work now with good paying jobs.

I want to take a moment to talk about collaboration. The commission and ODOT are continually working to improve the way we work with Federal and local partners to ensure that we maximize the use of local funds and that we did it on a partnership basis. In Oregon the general public, cities and counties, metropolitan planning organizations, regional governments, and representatives from business community and private sector participate in the planning and funding prioritization process mandated by Federal law.

We have implemented significant new initiatives to strengthen this collaborative effort. For example, we formed a stakeholder group that is refining the process by which the State identifies and prioritizes projects for Federal funding.

We've established among the agencies an agreement with Federal and State resource agencies on environmental stewardship and streamlining known as the Collaborative Environmental and Transportation Agreement on Streamlining, and we've encouraged all regions of the State to form ACTs commissions on transportation. And for all practical purposes, that has occurred.

ACT's are regional advisors to the Commission. Local governments, transportation providers, and private stakeholders in each

region of the State are invited to meet regularly to prioritize projects and make funding recommendations to the commission.

We work closely with ODOT regional staff. Most of ACTs encompass two or more counties. The idea is simple yet innovative for a State transportation agency. You have local communities, local stakeholders in a more meaningful role in Federal funding and transportation policies.

From the State's points of view, ACTs have brought more people to the decisionmaking table, which is leading to better decisions.

As this committee considers how Federal formula funds will be allocated among the States in TEA-3, we want to make sure that you are aware that the Federal funding entrusted to ODOT is spent collaboratively and that all Oregonians are benefiting. It is another important reason to support increasing Oregon's share of the Federal highway formula funding and fully funding the list of projects approved by the Commission and submitted to the Oregon Delegation for High Priority Project funding.

This concludes my remarks. I thank you, Senator, for being here, and I will be more than happy to respond to your questions.

Senator WYDEN. Very good. Thank you. Excellent statement.

Mr. Warner, I know that you have a big load these days. You've got the State legislature still in session, and you all have just been very helpful and constructive and easy to work with, and we appreciate all your leadership and welcome your remarks.

STATEMENT OF BRUCE WARNER, DIRECTOR, OREGON DEPARTMENT OF TRANSPORTATION

Mr. WARNER. Thank you, Senator, and good morning. For the record, I'm Bruce Warner. I'm the Director of the Oregon Department of Transportation, and I too want to thank you for the opportunity to discuss the importance of the Federal investment in transportation here in Oregon and the Northwest and tied into it the reauthorization of the Transportation Equity Act for the 21st Century, whatever we're going to call the next edition of this.

It's clear in your opening remarks and what you're hearing here, the people on this panel understand some of the issues confronting Oregon and the Northwest. And what I want to briefly do—and you have my testimony as part of the record—is talk about the distinctive importance of transportation to the Northwest's economy and two specific challenges which you've heard about.

I'll give you some specifics that will help you in terms of understanding the real on-the-ground impact of some of these problems. Before I really begin that, I do want to again really thank you for your leadership on transportation issues. You've been a tireless advocate in the Senate for improving all modes of transportation here in the Northwest, and we really appreciate that.

So on behalf of the Department and the State, I want to thank for your efforts, and we do look forward to working with you and your staff in building the next Transportation Equity Act and make sure that it's as good for Oregon as TEA-21 and ISTEA were. And they were good for Oregon, and you've heard some of the good things we have done with those funds.

What I want to discuss for you is that the Pacific Northwest's regional economy is built on transportation-intensive industries: Ag-

riculture, construction, transportation equipment, wholesale and retail trade, and manufacturing make up 54 percent of Oregon and Washington's economy, which is much greater than the Nation as a whole; and therefore, the efficiency of the transportation system affects the competitiveness of Oregon and Washington businesses.

To gain and keep our competitive edge in reaching those national and global markets you've heard about earlier, the region must have a reliable and cost-effective access to businesses, farms, ports, airports, and trade partners.

And efficient transportation is also important because the economy of the Northwest is dependent on that global trade. You heard some numbers, and I want to give you one. Oregon and Washington combined export \$45 billion worth of products each year.

If you look on the I-5 corridor, I think the statistics I've seen at one time or another, 25 percent of all imports and exports in the United States are at one time or another on that corridor between Canada and Mexico, to just give you an idea of the importance of the corridor.

And if you look at that \$45 billion of export from Oregon and Washington, it's about twice what you see in other regional areas of the United States.

And there is a growing concern and, I think, a rightful concern that the existing transportation system is not capable of supporting the growth and freight movement that we expect in coming years. And to highlight that, our numbers show that import and export tonnage is expected to double by the year 2020. And the domestic freight tonnage is expected to increase by 70 percent, and a particular concern is how our bridge problems and congestion on the interstate corridor are going to impact those areas.

You touched on the bridges and the issues. I just want to give you an example. On I-5 right now there are currently 12 bridges that are weight restricted; in other words, the trucks cannot go over with legal loads.

Total replacement costs of those 12 bridges is \$187 million, and if we didn't have some investment from the Feds and from the State government, we would expect that 30 percent of our State bridges would be load posted by the end of this decade.

That would give you an idea of how important the legislature's investment was and how important we think the Federal investment is. And I want to also say I really do appreciate your efforts to try to get additional dollars for bridges and get Oregonians back to work through your Wyden-Talent proposal, the Build America Bonds Program. I hope you're successful, and we'll be sure to get some of those moneys to our bridges and other infrastructures if you're successful.

One thing I think you don't understand, most people don't understand, is the impact weight-limited bridges have on the Interstate, for example, to some of the communities along those routes. If you load limit a bridge on Interstate 5, you're going to put trucks on roads that were never designed to carry those large trucks, and sometimes those are the main streets of our downtown.

I'll give you an example: My second day on the job as the Director about two and a half years ago, I was told that we needed to post the Forge Bridge near Roseburg to 64,000 pounds. The little

community of Riddle adjacent to the freeway, before we put up those postings, had about three trucks that went through downtown on a daily basis.

When we enacted those restrictions and during the 6 weeks of emergency repair, there were 1,500 large trucks a day going through downtown Riddle. You can imagine the impact on that community and to the road system. And another thing is I think if you—I'm sorry to hear from my counterparts that Oregon is not alone with the problems in bridges. You're starting to see this problem pop up around the United States. It's something I think you need to address in the next edition of the Surface Transportation Act.

It's important to know the bridges we built in the Interstate era of the 50's and 60's are, quote, "quickly approaching the ends of their useful life." 50 years is what they are designed for, and guess what? They are starting to wear out at this 50-year mark. The \$2.5 million that the State has given us in new funding is going to help, but we can't do it alone especially on the Interstate corridor, and the Federal Government must be part of the solution. And I urge the Committee to look at ways to address this problem in the next authorization bill.

Some options I might suggest are updating the current bridge formula to better direct resources to this particular problem or even setting aside a discretionary bridge funding as was done for California in TEA-21 following the earthquakes in the early 1990's, which addressed some of their major issues.

And then the second issue I do want to touch on a little bit more is just congestion in the I-5 corridor, especially dealing with highway and rail crossing over the Columbia River, but all up and down the I-5 corridor. And the I-5 and the River has become a major choke point, and we've done an economic analysis.

I think you have the summary of that attached to my testimony, which shows that the costs of delay to trucks in that corridor currently is about \$14 million a year. And by the year 2020, that's expected to increase 140 percent to \$34 million a year in today's dollars; so you know that's going to be more in the future.

And the rail network is equally congested, and that's another issue we're working on; in fact, the level of congestion in our rail system in the Portland area is equivalent to what Chicago sees. So that gives an idea of the magnitude of that.

The cost of congestion affects most motorists and trucks, but freight is clearly disproportionately affected as congestion spreads into times trucks have to work around, both in the morning and the afternoons. And they lead to higher transportation costs and limit some access to jobs for folks and their labor force.

So the bottom line is Oregon businesses will find it harder to compete in the domestic and global markets as congestion threatens their productivity. And what I want to make clear to you is we've been working very hard with the Washington Department of Transportation and with your counterparts on the other side of the river.

And we have a unique collaborative process where we've worked with citizens, with businesses, and interest groups to come up with a solution to that corridor. And with the money made available

through the Federal reauthorization last time and the identification by Congress of I-5 as a corridor of national significance, we've been able to make progress.

And if we're able to secure money for that corridor, I want to assure you of the political consensus on what we've been doing there, and we'll start moving projects forward toward construction as quickly as possible. I think you may want to look at, again in the reauthorization, of making sure that when you start talking about some of these important corridors, that you really do focus the efforts and resources in the corridors that are truly significant to the Nation, like the I-5 corridor.

And that's hard to do, I know. I think there is a number of corridors which could be identified, in other words, limit the number of corridors that are important and would receive funding under that program if it's continued in the next reauthorization.

So with that, I think I'm going to conclude. I want to thank you, Senator Wyden, and your Committee for your strong support of dealing with this issue. You've heard the importance of freight in the Medford area itself and some of the things we're trying to do to keep the I-5 corridor operating down here. But again, as you move forward, I do strongly encourage you to think about bridges and again strengthening the national corridor program and focusing a bit more on those corridors that are truly of nationwide significance.

Again, thank you. I think I'll stop there. If you have any questions, I'll be glad to answer.

Senator WYDEN. Good recommendations, and we thank you.

Sue, welcome.

STATEMENT OF SUE KUPILLAS, JACKSON COUNTY COMMISSIONER

Ms. KUPILLAS. Thank you.

Good morning, Senator Wyden. I hope you can hear me. I'm far from the microphone. Thank you so much for having the hearing here in Medford this morning. I think that—well, my name is Sue Kupillas, and I'm a County Commissioner here in Jackson County as well as a chair of the Metropolitan Planning Organization.

I work with a group of cities and special districts as well as the County to prioritize the projects that we're interested in for Jackson County. So I'll talk a little bit about those today and the importance of actually addressing those needs in Jackson County as it affects our economy. You so well stated that this is one way to jump start the economy in our area.

I want to also thank you for the level of funding we've had in Oregon. We're sort of—we have a number of opportunities here with your leadership in Congress with you working together with Senator Smith.

Senator WYDEN. Yes.

Ms. KUPILLAS. I think that's unique in the United States that we have Democrats and Republicans working together in Oregon. You do much better in Congress than we have in the State legislature.

Senator WYDEN. Senator Smith likes to point out that there aren't Democratic roads and Republican roads, just transportation.

Ms. KUPILLAS. That's right. And the other benefit we have is having somebody of the stature of Stuart Foster who is from the Medford area who is chair of the Transportation Commission, and I think with this kind of strength that we have some opportunities in this next go around to address the funding issues that we need to.

I want to talk a little bit about Oregon counties because we have been working together with the Transportation Commission to look at the issues that we have. Our counties are responsible for more than 27,000 miles of county roads and 6,580 miles of local access roads, 4,000 bridges with one dollar in every four dollars that we need for repairing and keeping them in good condition. Counties have 15,600 miles of paved roads. Of that number, more than 13 percent of the pavements are in poor or very poor condition.

In Jackson County 1,720 miles of paved road and 220 miles of gravel road. We have approximately \$10 million in backlog of projects on roads which should be done in the next 5 years. 22 bridges need repairs, totaling around \$44 million.

Jackson County, like many counties in Oregon, is being significantly impacted by large population increases, which are creating more and more congestion problems in our urbanizing communities. Our population is growing at over 3 percent a year.

Our priorities for the next funding bill—whatever the name is—I call it TEA-21 reauthorization, we do need an increase in Oregon's annual highway formula funding, and that's probably our top priority as the MPO.

We also are interested in Federal transit funding. It must be increased, and I agree that public transportation systems are absolutely vital even in our area where we don't have the population to totally support it. We do need to have those public transportation systems.

And then the basic structure of TEA-21 works, and that should be retained, and I think a lot has been said about the bridge rehabilitation and replacement program; so I'm not going to go into detail, but absolutely that's a top priority for Oregon and for Jackson County.

In the past TEA-21 projects in Jackson County, we got funded \$19.6 millions on the North Medford Interchange, the I-5 viaduct structural overlay and seismic retrofit received \$15.4 million, and that's pretty much, and that pretty much completed I-5's Interstate Maintenance preservation project at \$12.8 million. And the Highway 62 Linn-Dutton widening project was funded at \$11.7 million, and those projects are all pretty much completed.

I want to talk about a couple of priorities for the that the MPO has recognized and that Jackson County has recognized. Future priority is widening Fern Valley Road to a five-lane section from Highway 99 eastward over I-5 to North Phoenix Road. It will add capacity on Fern Valley Road as well as provide safe vehicle, pedestrian, and bicycle movements.

The project is eligible for Federal funds because of the need to build a new higher capacity interchange to meet the congestion needs of the area. The request for earmarked funds is \$20 million. That, plus State and local matches will total around \$36,000.

And this is one of the first truck stops from California on I-5, and so at this particular time—I travel through that intersection a lot—it's extremely congested and a very top priority for the future.

And another priority is the Highway 62 expressway between Medford and White City. Jackson County has managed the Jackson County Urban Renewal Project in White City for 12 years. This project is a significant economic development project, as the largest industrial park in the county is in White City, and it's within the project boundaries. The industrial park is an economic engine for all of Jackson County providing hundreds of family wage jobs with benefits as well as manufacturing projects desired all over the world. Rail and truck freight as well as efficient access to I-5 are key to this continued expansion of this White City project in our industrial park.

And I might add that one of the ideas that our county commission has also brought forth is extending 140, Highway 140 to I-5, and that isn't on a priority list, but I've attached a letter from our new commissioner Dave Gilmour that talks in more detail about what we're doing to get that back up on some kind of a list.

One of the most important projects on Highway 62 expressway is from Delta Waters, milepost 1.59 in Medford to Linn Road, milepost 10.6 in Eagle Point. The highway is part of the National Highway System from milepost .41 to the State Highway 140 intersection.

Current average daily traffic is around 43,000 vehicles per day; so it's traveled as much as I-5 at many times and certain times of the day, and it's projected we'll have 57,000 vehicles on that within the next 20 years. So the Highway 62 corridor, we have the study out on it now, and we are looking for funding to actually complete some of the projects along there which will be a main expressway which will help us with freight as well as with the vehicles, with moving vehicles in Jackson County.

Then there's another issue that I wanted to talk about that the Transportation Committee should pay attention to, and it's created by an omission of the House Appropriations Committee, and it's a little bit separate from TEA-21 reauthorization.

But the Transportation and Treasury Appropriations Bill on the house side eliminated funding for transportation enhancement, and as you know, we had the Bear Creek Greenway which is a major pedestrian bikeway through Jackson County. We just yesterday, I believe, signed an agreement with ODOT and the County to work together on a portion of that.

These transportation enhancement dollars are absolutely vital to make sure that we have alternative methods of transportation. Our goal is to link our cities completely through along the corridor of I-5, and there's another group in Rogue River who has the vision of actually extending that to Rogue River with sidepaths off to Gold Hill at Eagle Point, which would just be a major, major alternative transportation for our entire county, but without the transportation enhancement funds, we can't do that.

Senator WYDEN. I think my staff tells me that the full House Appropriations Committee put back the enhancement funding.

Ms. KUPILLAS. That's great.

Mr. SANDBERG. That's correct.

Mr. FRANKEL. If I might say, Senator, my understanding is the full committee mark would make enhancements eligible for STP funds. It would make enhancements an eligible activity, as opposed to the mandatory set-aside fund. That's in the full committee mark.

Mr. SANDBERG. The intent is to have that mandatory program show that funds will be reserved, or set aside.

Senator WYDEN. Well, I think we don't mean to interrupt your excellent statement, Commissioner Kupillas. I think it's the intent of the Senate that this be a mandatory program; that we ensure that these kinds of excellent initiatives you're talking about actually get done. Obviously, the Senate and the House will go back and forth on that, but you finish your statement and know that you've got a lot of support for the program.

Ms. KUPILLAS. Thank you. I very much appreciate that. That's a very significant project in our county, and actually, I have almost completed my statement.

We have had one of the highest jobless rates in the United States in Oregon and in Jackson County. We have had 8.5 percent, a national high unfortunately, as I'm sure you're totally aware, and it's currently fallen to 8.1 percent, which is still very high.

So an infusion of transportation dollars into our sluggish economy will certainly give us a short-term boost, with the long-term benefit of more efficient systems to serve our rapidly growing freight industry and general population. And I might add that I echo that it has to be a balanced approach that we have. We have tremendous collaboration, I think, the leaders in the State on our collaborative efforts at prioritizing transportation projects and then working with our air quality committee to make sure we address the environmental issues of transportation.

With that, I'll conclude my statement, and I would be happy to answer any questions. Thank you.

Senator WYDEN. OK. Thank you all. Excellent statements, and you know, it's quite obvious that you cannot have big league economic growth with little league transportation systems. It's just that simple, and that's what we're focusing on. We haven't even really gotten to the agricultural sector. And we do a lot of things well in this State, and the best is we grow things. If you want to transport agricultural products, you need big league transportation. And all of you have been excellent.

Let me begin, if I could, with you, Mr. Frankel. As you know, the Secretary and I came to the Committee, and he said, quote, "Nothing has as great an impact on economic development as quality of life and transportation," but when I do the math for the SAFETEA reauthorization proposal, as far as I can tell, we're looking at a cut in transportation spending for the upcoming year.

The current fiscal year 2003 funding is \$31 billion. By my calculation, the Administration SAFETEA proposal called for \$29 billion for fiscal year 2004. That would be a cut of \$2 billion, and \$2 billion translates into almost 100,000 fewer jobs.

Now, maybe you should enlighten us as to what's going on here because obviously we all want to have the job growth and job creation next year. The Secretary, it seems to me, is absolutely right in talking in terms of how important it is, but if we're going from

\$31 billion in this fiscal year and the Administration is to go to \$29 billion, that would be of some concern to me, and maybe you could give me your assessment of all this.

Mr. FRANKEL. I'll be glad to, Senator, and I might say if one looks at 6 years, as opposed to 1 year, as the Secretary has indicated in testimony and statements, SAFETEA proposes a record level of funding and would increase spending over the 6-year life of SAFETEA.

We've tried to strive in our proposal for prudent spending. It's not as ambitious certainly as the bipartisan leadership of the House Transportation and Infrastructure Committee, nor as high as the budget resolution as amended by the Senate. But nonetheless, we think it's the appropriate balance between investment and the transportation system and fiscal responsibility.

We do have a concern the adopted level for spending for the current fiscal year, fiscal 1903, which is at a level above what the Administration recommended, represents a draw down of the balances in the trust fund.

The House Appropriations mark—we were just talking about it in connection with the enhancements program—that figure is, I think, about \$34 billion. I don't know whether it will finally be adopted. That represents a further draw down on the trust fund balances, and at that level of spending, unless we have a substantial increase in resources available to the Highway Trust Fund, the Highway Trust Fund is going to go broke during the life of SAFETEA.

The President has indicated that he does not favor increases in the gasoline tax. With all due respect to the bold and imaginative proposal that you have cosponsored in the Senate, as you know, Treasury Secretary Snow has indicated his opposition to bonding. However it is done, it will increase the deficit.

In trying to strike the right balance between investment and concerns about increasing the deficit or increasing taxes, we think that SAFETEA has found an appropriate level. We hope that it will be adopted ultimately by Congress and that its authorization will be respected in the appropriations process, not only for fiscal 2004, but throughout the reauthorization period.

Senator WYDEN. Well, it's not your bailiwick for national priorities, but I am troubled. We're going to spend a billion dollars a week in Iraq, I guess, and somehow we don't have the money for the kinds of transportation projects, you know, here at home. And I'll talk for a minute in a second about what the Administration is against.

What we want to do is work with you on a bipartisan basis so we can afford something that will get this work done. That's what Senator Talent and I did by talking to the bond market and others who think our idea is a very innovative one, and let me start by saying that what seems to me to be, you know, particularly frustrating for communities and States is the way this ritual seems to play out.

When the Administration first put out a transportation budget for this year, the amount was around \$23 billion. Now, Congress said, on a bipartisan basis with these record votes in the Senate,

that this was not our sense on bipartisan basis of what we needed for transportation. So the Administration then went to \$27 billion.

In the end, the President signed the bill with the funding level that I mentioned \$31 billion. So now a year later, we've got the Administration proposing transportation funding levels significantly below what the vast majority of Members of Congress say is needed and, in my view, clearly below what's needed for the country.

So I guess the question is how many times are we just going to keep replaying this same game over again, and are we going to have the same kind of drill, you know, this time. And I think probably the most important question for Oregonians today is that, if Congress passes the higher transportation funding level again this year, that is what the Senate has been looking at, is the President going to veto the bill? Then we've got to say to Mr. Warner and Mr. Foster and Ms. Kupillas, wait around and hang in limbo.

Mr. FRANKEL. First of all, I'm obviously not authorized to use the "V" word, although the Secretary of the Treasury did suggest that in responding to various proposals. Let me say, as you well know, Senator, that I think it's not quite appropriate to refer to a veto. The Administration's proposal for funding for fiscal 2003 was \$23 billion plus, but that was really an application of the so-called RABA mechanism, which Congress enacted in TEA-21, with which you are familiar.

SAFETEA proposes to continue the RABA mechanism with some modifications, as well as to continue TEA-21's provisions that funds raised from the transportation system should be reinvested in the transportation system, that is, the fire walls. That was an essential element of TEA-21, one of the significant reforms of TEA-21, with which I'm sure which you were involved. And the money to be raised should be spent as quickly as we can determine.

The RABA mechanism, which I think over the first 4 years or 5 years of TEA-21, provided an additional \$9-plus billion in spending above and beyond the authorized levels, when applied to 2003, was below the authorized level. That was the basis of the Administration's proposal. And by going above that, even with the \$27 billion and certainly to the \$31 billion, required a drawdown on the trust fund balances, which we cannot keep doing.

Senator Talent and you have taken a step to avoid that by proposing to augment resources by borrowing. It's a proposal that the Administration does not support, but nonetheless, I think, does represent an indication that if we're going to spend at the levels talked about by Congress on a bipartisan basis, then we've got to augment resources.

Senator WYDEN. That's what the Senate has been trying to do, and every time we tried, Democrats and Republicans, the Administration, says here's what we're against, and it doesn't say here is what we're for.

And do you think it's at all odd that the Federal Government and now the Administration for the bipartisan proposal, Senator Talent who is a Republican and myself, do you think it's at all odd that the Federal Government is the only entity on the planet that's not willing to look at bonding?

I mean, everybody else, State and local, is doing it. We worked with Wall Street. They think our approach is particularly innova-

tive because we're looking at a tax credit approach; so we really are looking at much less exposure for taxpayers than other traditional approaches, and you know, I just want to get something I can work with the Administration on.

You've told us the Administration—that all of the following, A through Z, is unacceptable. All of this is off the table, and people like myself and Senator Talent is saying here is a bipartisan group of us that wants to work with you on things that we think will get it done, and we need to get a sense of what those answers are because it isn't going to happen by osmosis.

And if the Senate is now at \$31 billion this year—I mean, all this math is awful hard for people to figure out when you draw down this and draw down that—if we're at \$31 billion now and the Administration publishes documents and their documents come in at \$29 billion for this year, you don't have to be a rocket scientist to figure out that's a cut.

And somewhere along the way we've got to find some way to get to common ground, and maybe for purposes of just this round, give me your sense of how we can work together in some way to find what we're for and find a common ground and get these good people the tools they need.

Mr. FRANKEL. I want to reiterate that I think we have to look at 6 years versus 6 years. As the Secretary has indicated in appearances before both transportation committees on which you serve, that the Administration's proposal, while showing a dip from fiscal 2003 to 2004, over the life of SAFETEA represents a record level of investment.

The increases are not as high as many favor, but nonetheless they do represent quite substantial increases in spending in the SAFETEA reauthorization versus TEA-21. I think that is the place to start. Really, it's not appropriate for me to get into the details of either the proposal Senator Talent and you have cosponsored or into various specific bonding mechanisms.

Senator WYDEN. Are you all looking at any ideas for ways in which we can find this additional revenue? I want to be sensitive to your not—

Mr. FRANKEL. There are proposals other than increases in the motor fuel taxes—reenactment of the initial reforms of TEA-21, and the proposal, which I think is pretty broadly supported in the Energy Bill pending before the Senate, to transfer the 2.5 cent tax on gasohol or ethanol from the General Fund to the Highway Trust Fund.

Also, we propose drawing down the Trust Fund balances, just not as dramatically, if you will, as some other proposals would; so I think those are the areas of agreement.

I think in terms of bonding mechanisms—and let me comment about that not based on my current position, but from the position I once held like Bruce's that is, heading a State agency in size and budget very comparable to Oregon's. I headed, as you know, the Connecticut Department of Transportation for 4 years, and our capital program was almost entirely from bond funds, despite my efforts to shift more to pay-as-you-go. I thought I accomplished that, but the legislature figured out some other use for that money.

But the difference is that there were dedicated revenue streams to service that debt. To compare that to what is proposed—and again, I don't mean to get into the details of your proposal or some of the other bonding proposals—what's proposed is really not comparable to what States do, where they have designated revenue streams to service transportation-related debt.

Senator WYDEN. Now, the Secretary talked favorably at one point about tax exempt status for bonds for freight projects. Is that still something that's on the table?

Mr. FRANKEL. I think that is probably a reference to the so-called private activity bonds. That is very much on the table. We're very hopeful that Congress will enact private activity bonds, which are private bonds, private borrowers in which tax exempt status is available for some transportation projects, but not all. And we would allow authorized private activity bonds to be utilized in connection with the highway and intermodal freight projects.

That is very much on the table. I might say that my colleagues and friends who served in the prior administration are amazed that we got that proposal through OMB and the Treasury, the professionals there, not on a political basis, but we did get approval. We hope it will be favorably considered.

Senator WYDEN. I hope that you will look at other ideas to help us get the transportation funding that the country needs, and I think that when you look both at the economic multiplier, I think we all agree that there is no economic multiplier out there like transportation.

We have this huge backlog, and the approach that Senator Talent and I are pursuing, we think this is a chance to really get the country excited about where we're headed in transportation, and I look forward to the day when we give our children and our grandchildren a Build American Bond, and they can learn the value of saving and thrift, and at the same time do something that will make our country a stronger and safer place.

I want this part of the questions to wrap up by making sure that the olive branch is extended——

Mr. FRANKEL. I appreciate that.

Senator WYDEN [continuing]. In a very direct fashion. We are open to any and all ideas. I think it is just clear that we're going to have to find a way to get these funds in order to address both the economy and transportation needs that the country has, and as we put things off the table, let's figure out a way to get some things on the table. And we appreciate your cooperation in that regard.

Now, on the bridge situation, we've got 487 cracked bridges that are owned by the State. The cost of them is \$4.7 billion. Now, the State folks seem to feel that Oregon would get less money during each of the 3 years with respect to the bridge question.

What is your sense of how Oregon deals with this bridge issue and particularly the Federal role?

Mr. FRANKEL. Well, I can appreciate, let me say, from personal experience the passion that Mr. Foster and Director Warner have about this. You remember in 1983 a bridge on the Interstate system went down in Connecticut, and I became commissioner about seven or 8 years after that.

And someone said to me it's true that for everybody in the Connecticut department, certainly the professional engineers—Bruce knows this probably from his own contacts with my colleagues from Connecticut—to see a bridge collapse was their Vietnam. Every one of them swore that no other bridge was going to go down on their watch. It became a passion to rebuild Connecticut's bridges.

As he said, it is true that a bridge has a life, and we're at the end of the useful lives of many bridges. Actually, the major part of the transportation program in Connecticut at the State level is to rebuild bridges. It's critically important. As you know, Administration advocates the elimination of the Bridge Discretionary Program, which is totally earmarked, so that more money could flow through the formula programs. This would have the effect of raising available funds and increase Oregon's level.

Actually, I'm not certain, and I would have to get back to the committee, of the details of what Oregon would get under this revised and expanded core bridge program. But certainly I'm respectful and do understand the emphasis in this State on restoring, rebuilding, and replacing bridges. It is absolutely critical. I can't think of anything more important to be done in heavily used portions of not only the Interstate and Federal-Aid Highway System, but also at the county and local level.

Senator WYDEN. From a philosophical standpoint, do you think the Federal Government has a role when we're talking about the bridges on the Interstates?

Mr. FRANKEL. That's obvious. This is, as you know, one of the key core programs and will continue to be so. And as I said,—and I think you probably share this—I think that the discretionary programs, for the most part, really represent an opportunity for earmarks—they are 100 percent earmarked.

The Administration, as a theme running through SAFETEA, would eliminate the discretionary programs, with the exception borders and corridors and one or two other areas, and would like to see more money flow to the States so the States can establish priorities on how, for example, the bridge funds are utilized.

Senator WYDEN. On the bridge issue, let's get Mr. Warner and Mr. Foster in as well. Perhaps we can even have you start by just reacting to Mr. Frankel's comments.

Mr. WARNER. Senator, obviously the bridge problem is large in Oregon. As you know, we've stepped up to deal with some of the funding, \$4.7 billion is the problem we believe we have. The State has come up with \$1.3 billion for the State system, 300 million for the City and County bridge system.

There is clearly a national interest in the Interstate program. There should be a national interest in all the major freight and NHC routes throughout the State of Oregon, and I think it is important to look at ways to assure that the bridges throughout the United States are adequate to deal with the freight needs that are coming shortly in dramatic increases.

So there's a number of ways to get additional revenues toward bridges, obviously raising the overall revenue level at the Federal level, and again maintaining the formula at a high level is the most effective way to get large amounts of money to Oregon and

to other States. And then again, we would utilize the dollars in the priority areas that we deem the most appropriate.

However, if again, you and the Committee feel that the bridges are priority and you want to set up a program that would again focus bridge dollars to areas, then again, I would focus on those corridors of national significance as well as the other major significant freight corridors throughout Oregon as well as the United States.

If I'm being responsive to your question . . .

Senator WYDEN. Mr. Foster, do you want to add anything?

Mr. FOSTER. I'd just simply add that not only is the State stepping up and local government is stepping up in this issue, and we really need the Federal Government to partner with us. The major corridors are of significant Federal interest, I-5, I-84, and we cannot address this just through State funding and local funding. We need to have that partnership from the Federal Government.

Senator WYDEN. Are we looking at, in terms of a growing bridge, less money, say, over the next 3 years, less Federal money?

Mr. WARNER. Senator, if you look at the proposal for the continuation, there would be less dollars. I think what Mr. Frankel is saying, if you look over the life proposal, essentially we would be looking at utilizing more and more of our discretionary funds that we get toward bridges. That's clearly a priority. Our commission has said we need to put additional dollars in.

So even if our funding level is lower overall from the Federal Government, I think you'll see this State apply more of its moneys toward bridges to address this critical problem we see facing Oregon.

Senator WYDEN. All right. I'm glad to see that you're doing it. It's just that I think the Federal Government, if it's a partner here, particularly as it relates to the Interstates, it's always we look at the overall program. The funding is lower this year, and somehow we'll make it up down the road and the bridge funding is lower, but somehow we'll make it up down the road.

We seem to have hundreds of billions of dollars for other things, and you know, we're fighting to deal with infrastructure at a critical time, and the amounts seem to go down, and that's not to be all resolved today. I understand that.

But I want the people of the State to understand that budgets aren't just, you know, charts and facts and figures. They are about your homes and aspirations and most importantly about your priorities, and it just doesn't seem that transportation is getting the priority it's warranted.

Let's go to the question of I-5 as a key trade corridor, if we could. Mr. Frankel, as I think you know, Senator Smith and I have felt for a long time that this has got to be a priority, and we're pleased that the Administration is looking at increased funding for the multi-State corridors as part of the reauthorization proposal.

Congress has provided additional funds to look at how to address congestion; region is working. Several have already said on a multi-State basis to come up with solutions, and obviously Federal assistance here as well is going to be important. And this isn't just Interstate. This is the entire, you know, up and down the West Coast

because we do have you here and this is so important for the region.

Could you say, for purposes of this morning, that you would agree that under the Administration's Multi-State Corridor Program that our area I-5 ought to be given a priority as one of the corridors for funding.

Mr. FRANKEL. Well, as you know, Senator, this is one of the few areas we would preserve the discretionary program and actually divide what is currently a united program for borders and corridors, into separate programs with funding at a level of \$0.5 billion—just under \$500 million—over the life of SAFETEA for each of those programs.

And it is a strong emphasis, a strong theme. I know you share the concern about freight movement and a variety of programs including the corridors program. I think it's one of the more problematic initiatives to try to enhance spending and Federal attention on freight and goods movements both at gateways, major gateways like the Port of Portland, and other key gateways in smaller places including other transportation intermodal centers in a State like Oregon.

And clearly the Secretary will give, if he has the discretion, because this money again has been totally earmarked. The Borders and Corridors Program has been earmarked, and there is no discretion in terms of national strategies and priorities, and I don't think there's any question that, if you had discretion, the I-5 corridor including and most specifically the Pacific Northwest has got to be viewed as one of the most important and one of the most congested in the United States.

Senator WYDEN. Very good. And we will work with you on that, and that seems to be a constructed effort. We appreciate it.

Now, on the Amtrak issue, the Administration has a reform proposal now for Amtrak. I think Oregonians would be interested in your assessment of how the Administration's proposal would affect passenger rail service in Oregon.

Mr. FRANKEL. Well, I think as a general matter, Senator, and I hope there will be attention focused on this that the Administration seeks to assist intercity passenger rail on the basis of priorities established from the ground up rather than the top down.

And by that, I mean a definition of places where intercity passenger rail can really fill a significant niche, can provide competitive service. I think we all acknowledge, and certainly experts do, that intercity passenger rail not only can be successful, but is critical in city pairs of 200, 300 miles to 4 or 500 miles apart.

Oregon and Washington have shown the way. The Cascade Service, I think, is one of the real success stories. As you know, the Secretary made specific reference to it in introducing our proposal not only in the sense of showing a place where there's a niche where intercity passenger rail can serve a function, but also cooperation, really extraordinary cooperation between two States and, I think, gives a lot to people who throw up their hands and say it's impossible for States to cooperate. You just can't go—it's got to be national, and the decisions have to be given about where routes are and needs to be driven by decisions made in Washington, whether at Amtrak or in the halls of the U.S. Congress.

I think that States and localities, local communities as Washington, what the States of Washington and Oregon have done, are the best places to define where this need exists, and the Federal Government's role in rail should be what it is in every other mode, and that is to give capital grants. We're not in the operating subsidy business with very few exceptions, but to give capital grants.

There have been disagreements whether they are 50/50 or 80/20, but the principle of capital grants where an individual State like California, let's say, or States come together and say this service is really critical and important and will be supported, those are the principles.

And again, while we may argue about the details, I hope we can engage in a discussion, and I know you view that the same about—really fundamentals about how we approach it from a philosophic basis. As I said in my remarks, respectfully I think the model we have been operating under, if I can use that word, has not been successful.

The fact of the matter is Amtrak was created absentmindedly 35 years ago with odds and ends when the private freight railroads wanted to get out of the business. And in order to create and be able to build a competitive mode in the State, the private railroad said we need a passenger rail service, and then what was there was, you know, conglomerated into what was called Amtrak.

It is not a national system by any stretch of the imagination. Even if it were, it's time we look at it. That's 35 years ago, and the United States has changed. It's changed socially, economically, demographically. It's time for us to look at this fundamentally, whatever our differences may be about details.

But to say, as some have, that basically what exists is perfect and just pour more money into the existing system, I don't think and the Administration doesn't think, from the President on down—this went to the President—not the Secretary's proposal, but the President's proposal, and I hope we can deal with these fundamental issues.

I think frankly for a State like Oregon that has been the model along with the cooperation of the State of Washington, I think, shows what good passenger rail service can be, and incidentally it's time that Oregon got Federal assistance because the fact of the matter is what Oregon and Washington have done has been almost entirely without Federal assistance. And one of the things we seek to do is to provide equity fairness, so that the treatment of Oregon is the same, if you will, as you know, intercity passenger rail in New Jersey.

Senator WYDEN. Mr. Warner seems to be smiling.

Mr. WARNER. Senator, I want to thank you for your comments there. I think it is important that Oregon and Washington have stepped up to fund the Cascade trains, and it's important not only because it helps in terms of diversifying the transportation system, but the ridership of those two trains is about 120,000 passengers per year.

Without those trains, those trips are going to be on the Interstate facility, which is going to further clog that facility, and what really makes me feel good about Mr. Frankel's remarks is again making

sure that again our model or the model in the northeast the corridors is something that we share.

In other words, we don't pay for the entire service while some of the other corridors have fully subsidized service, and that's a breakthrough. If we can actually have us all on the same playing field, that would be very, very helpful for all of us and probably would encourage other States to step up and try to help out and provide passenger rail service in other areas that currently are unserved.

Senator WYDEN. Well, I too think that's very constructive. The other point on Amtrak I would make is to hope that we give a special effort in this reinventing exercise, which is one that I think is constructive, and I am actually in support of it. The communities that aren't on the traditionally well-populated corridors are willing to put a lot of effort, in effect, a lot of skin in the game.

I don't know how much you followed it, but all through Eastern Oregon, for example, virtually every community has actually voted to impose per-person assessments in order to get rail service. In Eastern Oregon, folks have done everything to get rail service other than have bake sales in order to get some rail service.

I again want to work closely with you, Senator Smith, Congressman Walden. We all worked on these matters in a bipartisan way, and we would very much like as part of this reinvention effort to try to give some concerns and priority to these kinds of area that are really willing to put a lot of resources and a lot of efforts, and you're talking about building stations, and they've already had the per capita assessment, and I think you find overwhelming enthusiasm for an effort to really look at reinventing how the government goes about serving the rail needs of these areas.

But it will require some resources for a jump start, and we appreciate that. Let's do this. Let's spare Mr. Frankel here for a moment and move on.

Mr. FRANKEL. I came a long way, Senator. It's fine.

Senator WYDEN. You're being a patient soul here. Mr. Warner, give us your sense of what kind of jobs we're talking about with transportation dollars in our State.

Mr. WARNER. Senator, I think you touched on it somewhat in your opening remarks. There's a lot of variance in terms of how many jobs are created per million dollars of investment in transportation. We in Oregon are a bit on the conservative side. We believe for every millions dollars, we know there's going to be about 23—or 20 to 23 jobs or so created in the State directly as a result of that improvement.

However, if you look at the multiplying effect of buying steel sometimes from plants around the Nation, the Federal Government uses numbers that are closer to, I think, 47 per million. So just to give you an example, a \$1 billion increase in overall funding through the Surface Transportation Act, this State would get about \$10 million of that.

So you're talking about, if you use the Federal standards as you pointed out in your opening testimony or remarks, somewhere between 470 or 500 new jobs for the State of Oregon as a result of that billion dollar increase on a national level.

And again, one of the big driving factors for why the legislature elected to put additional resources into transportation this session was because they wanted our department to move those bridge projects out quickly to the private sector where we anticipate, if we add up over the next few years, we're going to have an average of 5,000 new construction and professional jobs per year sustained over a 10-year period.

Senator WYDEN. Now, my understanding is that you all recently looked at the freight issue on the I-5 corridor, and of course, our region's economy has been built on transportation-intensive industries, agricultural, trade, construction, manufacturing.

My understanding is that something like more than 2 million tons of farm and food products and a million tons of lumber, paper, and wood products move through I-5 in Medford each year.

So my sense would be that addressing this question as it relates to freight is absolutely a priority for our delegation in this upcoming session.

Any thoughts on that and what we ought to be doing to be helpful in that regard either, Mr. Warner or Mr. Foster?

Mr. FOSTER. Thank you, Senator. Well, I think that it all ties together with the bridges. The first step is we've got to get these bridges remediated. If we don't do that, then that freight drops off. And what's significant is and what I think few people understand is the impact on the local economy if we have to weight list those bridges.

Every fuel truck that brings fuel into this Valley is 105,000 pounds. If we have to weight list those bridges at 80,000 pounds, that means fuel costs in the community are going up. Many of the industries in this community bring in freight from Port of Portland.

The wood products industry is importing a lot of their raw materials. Now, those are all coming down on 105,000 pound trucks. If we weight list one of these bridges like we weight listed the Forge Bridge that Director Warner talked about earlier—I had some clients that I had had that were bringing raw materials for wood products in that had to be detoured over 58, down 97, and back 140, and it costs them \$200 per load in additional costs.

And our wood products community works on very near margins, as you know. It's highly competitive, and that doesn't sound like too much per load, but that has very significant impacts. We need to have the funding to address the capacity on I-5.

And the problem is if the State bares the whole burden of the bridges, we can't address the capacity issues. We can't address the freight issues to get freight out of Port of Portland. We can't address Interstate crossing on I-5 in Portland which are critical to this, just as critical to this community as it is to the Willamette Valley.

So you know, when we have to shift all of our resources to bridges to maintain the Interstate system or to save the Interstate system, we lose resources to address critical modernization projects we need for freight capacity.

Senator WYDEN. Well, you've just made the case for the Wyden-Talent Bonding Proposal and some of these other kinds of issues because you've just said, all right, we've got this bridge crunch. Even with the legislature looking at additional money, we're going

to have to move money from bridges to Interstate. Interstates are a Federal responsibility. Everyone acknowledges that. Mr. Frankel, to his credit, acknowledges it.

And we're going to have to find these dollars, and you all have made a compelling case, and for our State folks, know that this is priority business for Senator Smith and I, and we'll be working closely with you.

Let's wrap up with just one last question for our State folks. My understanding is that here in Southern Oregon a lot of folks have been concerned about transportation projects not taking into consideration the local viewpoint, and they've got a citizen's initiative on the ballot to make sure concerns are heard and addressed.

One of the reasons Senator Smith and I do the talent hall meetings together and make these efforts to get out and about and listen is to make sure people are being heard on their priority kind of questions in transportation and other areas.

And obviously again, we've got to find ways to get projects built, deal with the State's economic needs while making sure that people who are out filing these, you know, petitions and reflecting their concerns know that somebody is paying attention to them, that somebody is listening.

So I would be interested to hear from you, Commissioner Kupillas, and Mr. Foster and Mr. Warner, maybe we can wrap up by you all telling us your thoughts as we go into this next round of the Surface Transportation Bill. Give us your thoughts about how the Federal Government can be more responsive to communities in terms of addressing these local concerns.

And I really encourage you to, you know, think out of the box. As you know, Mr. Frankel knows, a couple years ago Mr. Sheinkman here did some extraordinary work in terms of looking at and encouraging growth management, and we basically empowered local communities to come up with competitive ideas, and we saw some exciting proposals, got bipartisan support, got a fair amount of Federal support for innovative approaches and growth management, and Mr. Warner knows we did pretty well in that area for a while.

So we need to think out of the box, and if you might on this issue of making sure that local folks are heard, tell us any suggestions you might have for us, Commissioner, Mr. Foster, Mr. Warner, so that we can put Mr. Sheinkman and our good staff folks here to work, again trying to put your creativity and your genius into law.

Commissioner Kupillas.

Ms. KUPILLAS. Yes, Senator, I think this does give us all a heads up that people do want to be involved in decisions, transportation decisions, as well as a lot of other that have come up under initiatives. I think probably the model that we have in Jackson County has been exemplary in the State.

And one of the things that we've done, for instance, on the Highway 62 issue that I mentioned, was that we had what they call a select where we brought people in from all of the communities that were affected by the Highway 62 corridor and had an interactive day looking at all of the issues surrounding this. And I think that model is very good.

It's, again, a good model that works from the bottom up in helping us look at priorities and all of the wide range of issues that affect people as we go through the decisionmaking process.

And then we do have at least three organizations that reflect different groups throughout the Valley, and a lot of opportunity pour input into the system on this transportation issue, and I know the cities and the County have hearings on the issues. We also have what we call a regional problem solving where we are looking at long-range planning where growth should occur in Jackson County.

And there's a lot of opportunity for input on that, and we want that to measure with your transportation systems and then also the air quality issues that we deal with with respect to this. As the Board of Commissioners, we invited a lot of public comments on exactly how we approach the air quality issues in terms of transportation.

I think looking at the local models and collaborative models that bring people into this discussion it is probably the best way to do this and to have the hearings where we can talk to you about what people have said.

Senator WYDEN. Mr. Foster.

Mr. FOSTER. Thank you, Senator. We have really, as I think you know, really worked hard in this State in the last 8 years to develop a collaborative process with local communities in how we identify projects, how we prioritize projects that need to be built.

Particularly in the last 2 years we've had a stakeholder committee that I referred to in my testimony that has developed an objective method of identifying projects and prioritizing them. And then that is being implemented by the Area Commissions on Transportation and the MPO's, and so we've got that process.

In regard to specific projects, we have local committees. We have solutions committees. The project in question that's created the issue here is the South Medford Interchange, and that was a very open and probably the most extensive public process we've ever gone through.

Whenever you build a major project like that, you are going to have differences. Reasonable people can differ on an element solution. We worked hard to address all the issues. We'll continue to work hard to address all the issues, but when you—and part of the—frankly, part of the reason why there may be some controversy there is because of a growth management strategy is we want a more compact community. We don't want urban sprawl. We don't want to be building big additional freeways, additional interchanges down the freeway. It's better to rebuild the two major interchanges in Medford.

That may have some impact, some people may perceive that as having adverse impacts on their immediate neighborhoods. We're trying to address that. I frankly don't think that there are the kind of impacts that some people feel there are going to be, but they certainly have every right to disagree with us and every right to seek an initiative.

I think that what we're doing works well. As Commissioner Kupillas says, we are continually trying to improve on that program. One of the things that we found that really helps when we go into a community—I'm really happy to hear that it's back in—

are the enhancement programs. Lakeview and Joseph are beneficiaries of those kinds of programs that resulted in win-win projects. So I would urge you—I would urge you not to implement any additional requirements on the Federal level but——

Senator WYDEN. There are not a lot of rallies outside my office for more Federal bureaucracy.

Mr. FOSTER. And I want you to know we take this very seriously, and we're trying to work with them, but you can't build a major project without having some controversy.

Senator WYDEN. Anything you want to address, Mr. Warner?

Mr. WARNER. Senator, I think I would add if you look at our track record we are getting better. There are always going to be controversial projects. Our committee and staff have made a conscientious effort to make sure that the reselect projects move forward. They are projects we know have gone through an environment and land use screen, and we want to make sure that they have the political consensus, frankly, from the area to be able to move forward.

We usually find ourselves in arguments where essentially the planning work has not been done ahead of time to agree on a solution, and we've told them, if they want to implement a solution, we have to go back and look at all the options and essentially do the planning that should have been done ahead of time as we're actually, quote, working on a project, whatever that project may be.

And I think the existing Federal rules in terms of project development require us to do that. If people are doing the required transportation planning and getting their citizens involved in what the overall plan should be for a particular area, we find that many of those issues, like South Medford Interchange, are often resolved well before we get into a construction project and moving forward with construction.

And our commission has been very clear that's the kind of checks they want, and they want to make sure before they invest money in a project that the project has been fully bedded, and I think as you look at your track record there's very few of those around the State where we have issues.

When you do hear about them, they are often very controversial. I want to be frank there. I agree with the Commission and Chair Foster, that I think the rules are adequate. We just want to make sure people are living up to those rules.

Senator WYDEN. All right. All of you have been excellent. Mr. Frankel, let me let you have the last word because you have journeyed the furthest, and we appreciate your cooperation. I think you can see the passion that is in our State for these issues.

You know, we like to think we've been first in a lot of areas, whether it's light rail in the metropolitan area, the various other kinds of initiatives around the State. And people are willing to think creatively and think out of the box, and what we need to do now that this is not exclusively within your province, we need to have the resources to jump start some of these initiatives. So we really appreciate your journey here, and we want to give you the last word for this panel.

Mr. FRANKEL. Well, Senator, let me thank you again. This is a trip you make probably just about every weekend, if not to Med-

ford, certainly back to your State. Really, being here and listening and experiencing this directly, and seeing these projects in Medford or in this State, is the best way for me certainly and for the Secretary to learn. So, thanks for the opportunity.

Suffice it to say, you've been consistent throughout this hearing as you have in Washington, in your comments to say that we should work together. While reasonable people can differ about some of the substantive details, I think that same spirit generally permeates the transportation field and certainly will characterize our approach to reauthorization of the surface transportation programs.

We look forward to working with you and your colleagues in trying to come up with a reauthorization bill. We're still committed and hopeful that it will happen this year. One way or the other there's going to be a reauthorization bill, and we look forward to working with you. It's been great to be here. Thank you for giving me the opportunity to come to this wonderful place.

Senator WYDEN. We thank you. And Senator Smith and I get together every Thursday for lunch to work on Oregon's agenda, and transportation is high up on it, and any time you have one of those creative kind of ideas, we'll make sure you get on before the entourage is done.

Mr. FRANKEL. Great. Thank you.

Senator WYDEN. We thank you very much. We'll excuse all of you today. I appreciate you coming. OK.

Our next panel Mr. Mike Burrill of Burrill Real Estate; Brad Hicks, President and CEO of the Chamber of Medford/Jackson County; Mr. Peter Kratz, Vice President of Bear Creek; Bob Shiprack, executive secretary of the Oregon Building Trades.

You all have been very patient, and we thank you for it, and let's get you up here so you can have a chance to testify before dinner time, I think.

OK. Thank you all. We'll make your prepared remarks a part of the hearing record in their entirety, and we thank all of you for coming.

Mr. Burrill, why don't you start.

STATEMENT OF MICHAEL BURRILL, SR., CEO, BURRILL FAMILY COMPANIES

Mr. BURRILL. Senator, thank you for coming to Southern Oregon and listening to our concerns. I might point out that, when I got the call that this hearing was going to take place, I was off on one of my transportation research trips, and I was riding a motorcycle to Alaska and was told that I needed to get back and I need to have my testimony in on Tuesday, but I was out in the middle of nowhere. It was impossible; so I imposed on my friend Brad here to help in doing that and imposed on your staff to help that happen also. I'm very glad to be here.

I'd also comment that I'm very disappointed that I just found out this morning that your staff member here, Traci, will be leaving us and we'll miss her. She's done a wonderful job.

Senator WYDEN. She is a super star.

Mr. BURRILL. So anyway, having said that, you have my written statement, and one of the advantages of being not at the beginning

of a hearing is that you get to make notes as you listen to comments made by others. I'm not going to go over my written statement. I'm going to paraphrase some thoughts and see how we go with this.

But the things that we've heard this morning, first thing I want to point out is that I serve in a variety of transportation capacities. My family through the years has been in the forest products business. We started in business in early 1940's, and you and I have worked together in that industry for many, many years, but we went out of that business about 5 years ago, and we now do commercial industrial real estate development and sales.

And one of the things that I found in that transition was that you could have a company like ours that employed a couple hundred people and have it close down and then bring a new company to town to employ 200 people and find out that you couldn't put that new company here because of transportation problems, that our highways couldn't absorb the new, even though the old was gone.

So I took a great deal of interest in transportation. I spend a great deal of my time in that field, and it's not just in roads. I'm on the Aviation Board for the State of Oregon; I serve on the Freight Advisory Committee to ODOT; I serve on solutions teams and citizen advisory committees with ODOT locally. So anyway, I have a great deal of interest.

A couple points I'd like to make on highways would be that when we talk about Interstate 5 and Interstate 84 that you talked about earlier today, it's not just an Oregon problem.

If you look at the charts and the maps that ODOT puts together and if you consider Interstate 5 from end to end, Interstate 84 starting in Portland and going east and the other Interstates that do that, the solutions are not just Oregon solutions. They are national solutions, and so we can't just work in the vacuum of Oregon to fix them.

The need to fix the bridges in Oregon is also a need for the people of Idaho, the people of Colorado, the people in other States that those Interstates head toward. You've talked about economic development and how, if we want to create family wage jobs and bring businesses, we have to have a transportation system, and that is so right because when businesses come to a community and they start to ask about what's going on, they want to know how they are going to get their goods to market, they want to know how all these pieces fit together; so it's vitally important.

It isn't just the jobs that Mr. Warner talked about, the 5,000 jobs per year for the next 10 years with the bridge bill. That's just a small part of what this does for Oregon. What this does is it opens up the community so they can grow, and they can provide jobs to their citizens. It isn't just the citizens along the Interstate 5 and Interstate 84 corridors that are going to be getting benefit because we have other freight routes that are just as important.

And you're going to have communities, whether it's Baker City on Interstate 84, or Lakeview or John Day or other communities around Oregon that will get the benefit and allow us to bring jobs to those communities.

I chair the Marketing Committee, and we're celebrating our local economic group, and as we work to try to bring new jobs to this community, again transportation and all modes is very, very important.

I want to jump from highways to aviation because in serving on the Aviation Board for the State, we're vitally concerned about aviation and how that entire system works. I have talked to you in recent months about a plan that we're doing of bringing together an aviation system planning conference that will be held in Portland sometime this fall that will include the States of Washington, Oregon, some people from California, SEA-TAC, Portland International, and maybe San Francisco, but also will include Boise, Spokane, Medford, and other airports.

The idea is to look at the capacity constraints that are on the big airports and see if there is capacity excesses that might be at some of the regional airports that could help in the short term for a large airport or any airport really to go from deciding they'd like to build a new runway to getting an airport off from that runway can be as long as 15 years. If we don't have those plans in place now and construction going, the forecast of doubling or actually tripling of cargo over the next 20 years is going to make it impossible at those major airports. So we're working on that.

The growth projections can't be left on this vacuum of airplanes and growth there. The same projections take place on containers coming in and going out on the sea, and the interesting part is every one of those connects to our highways. So this whole inter-modal multi-modal argument we have, we have to be aware of how all those pieces fit together.

We've talked about some of the projects here, and the one that I have a lot of interest in is—it's personal as well as an interest in the community—is the Highway 62 project. There was more vehicle trips per day on Highway 62 than there is on Interstate 5, and it's forecasted to double in the next 10 years, I believe, is the number.

We had a gentleman that worked with us on transportation in years past, his name was Hank Snow, and he used to work for Medford Corporation here. And he had an interesting comment he would make as we would be talking about planning processes and all the stuff that we have to go through in order to get projects done, and he would say, "All I want to do is see us move dirt."

So, Senator, help us get the money for projects, and I guarantee you we'll be moving dirt in Oregon. Thank you.

Senator WYDEN. Well said. Very good.

Mr. Hicks, welcome. We thank you, and the Chamber has been so supportive on so many initiatives we've been working on. I really appreciate all your help.

**STATEMENT OF BRAD HICKS, PRESIDENT AND CEO, THE
CHAMBER OF MEDFORD/JACKSON COUNTY**

Mr. HICKS. Well, thank you. I guess I, before I start my written testimony, would echo Mr. Burrill's sentiments about Traci Dow. I'm sorry to see her leave your Southern Oregon office. She's been a great partner in a lot of the things that you've been working to do here. So we'll miss her.

So to Senator Wyden and to members of the Committee, thank you all for allowing me to appear before you today to discuss our thoughts regarding reauthorization of the next TEA-21, or as Mr. Warner said earlier, whatever this next reauthorization is going to be called.

For the record, my name is Brad Hicks, President and CEO of the Medford/Jackson County Chamber of Commerce. Also for the record, I'd like to say today officially that I'm not a candidate for Governor of the State of California.

Senator WYDEN. But you can still run for President.

Mr. HICKS. Absolutely. But I did want to point out, depending on what day you ask, our Chamber is the second largest in the State of Oregon representing companies and organizations of every size, sector, and corner of Southern Oregon.

My testimony will address some thoughts about reauthorization that I believe are critical to the business community and equally critical to our entire nation. Safe, unclogged roads are vital to this country. These highways and bridges impact the independence and mobility of our citizens, our productivity, and our employment base, certainly our competitiveness, and maybe now more than ever, our national security and the health of our economy.

I believe that the 108th Congress will look at few other priorities that will have a more direct impact on the personal and professional lives of their constituents than the look at transportation investment. Investment in our transportation infrastructure is directly connected to future economic growth, competitiveness, quality of life, and national security. That's no different here in Southern Oregon.

As a regional economy, Medford, Jackson County, and Southern Oregon each enjoy the benefits of family wage jobs provided by the trucking companies who reside here. In fact, one of the areas largest employers—I'm not sure what number, maybe No. 3—is a trucking company that employs hundreds of residents at above-average wages. This does not take into account the many other smaller trucking firms, brokerage firms, and other related businesses.

However, while there are obvious economy advantages to our geographic situation along the I-5 corridor because Medford is a pass-through region, if you will, for many using the I-5 corridor, Southern Oregon is also left to contend with well-used infrastructure.

Taking into consideration the significant positive impact of the region's economy that sound highway and bridges have combined with TEA-21's tremendous investment to date, making transportation safer, less congested, and more efficient, it seems that a well-financed dependable, and efficient transportation system is essential for a healthy Oregon business climate.

In order to achieve that end, I'd like to suggest that the budgetary firewall be restored to ensure the original promise of the Highway Trust Fund. The highway taxes would be used exclusively for highway improvements and to continue to explore other options for increasing revenue to the Highway Trust Fund including drawing down the nearly \$20 billion surplus in the Highway Trust Fund, restoring interest payments to the Highway Trust Fund, and

then exploring other innovative ideas that would leverage private sector investments in transportation.

And I applaud your efforts on the Build America Bond proposal. I think that's exactly what I'm taking about in my third bullet item are ideas such as that.

Once reauthorization of TEA-21 has occurred and the debate begins as to where those dollars go, I hope, Senator, that you'll help fully fund Oregon's priority projects and of particular interest to those of us in Southern Oregon, in addition to Highway 62 as Mr. Burrill mentioned, is the Fern Valley Interchange project between Phoenix and Medford. And I'll allow others to speak in detail about that.

In closing, The Chamber will continue to advocate increased spending on transportation infrastructure and streamlining of the environment review process. We'll play an active and progressive part in advancing the idea of a transportation agenda that strengthens our transportation systems.

This is a new environment that requires new thinking and new approaches, as you've mentioned multiple times this morning, to transportation that should be characterized by changed behaviors and measurable results. We will continue to remind the public and Congress that infrastructure is not disposable; it is a strategic asset that must be renewed and protected.

The impact of doing nothing will be increased congestion, decreased safety on our roads, and setbacks in our ability to improve air quality. Our Chamber and, I believe, chambers throughout the Nation look forward to working with Congress and the President to bring about continued, predictable investment in the nation's transportation system in TEA-21 reauthorization. Investment in our national transportation system will ensure we remain a leader in the global marketplace.

Thank you again for bringing this opportunity to Southern Oregon. You saved us a 3,000 mile trip, and I'll be happy to answer questions later.

Senator WYDEN. Thank you. And the Chamber has always been so cooperative in all of these economic development issues with our office, and we very much appreciate it. And we'll be working with you often on these issues and certainly a lot of others. Excellent presentation.

Mr. Kratz, welcome.

**STATEMENT OF PETE KRATZ, SENIOR VICE PRESIDENT AND
GENERAL MANAGER OF PRODUCT SUPPLY, BEAR CREEK
CORPORATION**

Mr. KRATZ. Thank you. Good morning. My name is Pete Kratz, and I'm the Senior Vice President and General Manager for Bear Creek Corporation. And I certainly thank you for allowing me to address this subject today that is so critical to our business, and that's transportation.

Bear Creek is one of the largest or top direct marketing companies in the Nation. Both of our brands, Harry & David and Jackson Perkins, are nationally known. Our Medford, Oregon campus is the headquarters for all of Bear Creek Corporation including the Harry & David and Jackson Perkins businesses.

We are the largest employer in the entire Southern Oregon region. This year we will employ in excess of 7,300 seasonal and full-time employees in the Rogue Valley.

Probably the most well known of our companies is Harry & David which was founded in 1919 by two brothers Harry & David Holmes. We have been one of the primary economic backbones of the Valley for years, and our current revenues will approach \$550 million.

The statistics associated with our companies today are impressive. We mail more than 110 million catalogs each year, and we ship in excess of 9 million packages both in this country and internationally to more than 100 nations. Our payroll this year in Medford is in excess of \$100 millions. For many people the name Harry & David is synonymous with Medford, Oregon.

And as you can well imagine, transportation is essential to a company such as ours. Back when we started, it was rail service that we counted on to move our product. Today it is the highway system.

Because we are a vertically integrated company starting with our roots in Agriculture and our fruit, almost all of our products originate from Medford, Oregon. Millions upon millions of gifts spend some time on Interstate 5. They are transmitted to regional express centers in California and Portland, and the daily cutoff times for these express deliveries make any delay in service transportation critical to the service of our customers.

There are trucks that take products to our regional distribution center in Ohio while other trucks move gifts to mailing centers and our 147 Harry & David stores in 34 States. There are trucks that bring fruit, raw materials, and packaging to our Medford campus. Many of these deliveries are made just in time to support our production operations. This method of operations lessens the burden on local transportation systems and reduces truck movements between local storages.

Many of our packages are highly perishable fruit that are received at our packing house, gift packed, and shipped within 1 day. An efficient transportation system is essential to the viability of this business.

Last year there were more than 30 inbound truck deliveries to our Medford campus per day during our peak production month, and during our peak shipping month there were also more than 30 outbound trucks per day.

We project that over the next 10 years our business will continue to grow at near double digit rates. That means several things for this region. It means young people from the local education centers won't have to move to other cities to find jobs. It means the local area will have a steady stream of good paying and dependable jobs. Conversely, it also means the need for good and dependable surface transportation. This is transportation for both our employees and our products.

As mentioned earlier, the number of key regional transportation projects including Fern Valley, South Medford Interchange for I-5, improvements to Highway 62 are very critical to sustain and grow our business.

I would also suggest a place at the table for business on the Metropolitan Planning Organization as a way of aligning economic growth with transportation planning.

In 1919 two creative brothers were drawn here for the rich pear orchards. Because of the rail transportation system, they were able to start the multi-million dollar business we manage today. Just as it was in the early days, transportation is still vital to our company and its future.

Thank you for allowing me to address this important subject for us today.

Senator WYDEN. Good. Well said.

Mr. Shiprack?

**STATEMENT OF BOB SHIPRACK, EXECUTIVE SECRETARY,
OREGON BUILDING TRADES COUNCIL**

Mr. SHIPRACK. Thank you, Senator Wyden. It's my pleasure to see you again. I'm going to be brief. Again, I'm Bob Shiprack. I'm Executive Secretary of the Oregon Building Trades Council, representing unionized construction workers throughout the State of Oregon. I'm a journeyman inside wireman electrician. I've had the job for 17 years. I know quite a bit about these topics.

I was also a member of the Oregon Legislature for 12 years. So some of my comments today, Senator, will both be policy and politics because it appears that a little of both is involved in the problems that you're facing.

In the building trades today we're suffering 20 to 35 percent unemployment across the board depending on the craft and region in the State. We have people now who have not only exhausted their State Unemployment Benefits, but Federal Extended Unemployment Benefits.

This is a unique recession, and I've been working with the tools since 1971 in that usually in a recession, even in the worst of recession of the 1980's, you could go somewhere else in the country and work. That isn't occurring today. There's no place to go. So you're sitting here exhausting the unemployment, and people are now losing homes. And I just wanted to share that with you, Senator. This situation here in Oregon, at least for my industry, is very bleak.

Senator WYDEN. What's your unemployment rate in terms of the building trades?

Mr. SHIPRACK. Anywhere from 20 to 35 percent. I checked with my local union in Portland who you're familiar with. We have 630 journeyman electricians of that book one, local members, out of work, 630 as of yesterday morning, about 90 apprentices, I might add.

This situation has led to a lot of discussions I hear from my people about putting the country to work, and frankly, Senator, we're incredulous, with the elections coming up next year, one thing we used to be able to count on, in election years, things would get better. I'm not seeing that happen. And I think that the inaction of the Administration of Congress not only on the transportation package, but other spending proposals such as the water, sewer, the dams, reservoirs—all those other spending bills have not come out either.

So I think that for at least from my industry—and I can tell you I can speak for a lot of my employers, we have an extraordinarily

good labor management relationship—that things will not be getting better soon.

Bruce Warner mentioned a spin-off effect, a tremendous spin-off effect when we do these Federal spending programs could really help put the country back to work. And I don't want to be flippant or partisan—as you know, the building trades are highly bipartisan—but a lot of my folks are saying, “If we're going to rebuild Iraq, why can't we start to rebuild America.” I think that's hard to refute. I don't see how people can debate that issue. It's something people should think about.

The next issue is funding. We haven't funded Oregon highways for 10 years. We had a pretty large group of people with no new taxes pledges. We disputed the fact that highway funding is a tax as all. We consider it as a user fee. You don't use the highway, you don't pay the tax or fee.

So unfortunately, for 10 years we didn't put anything more into our infrastructure in this State until it reached a crisis situation: Over 400 bridges affected dramatically having the potential to effect Interstate commerce along the West Coast and my State here.

We not only survive on these public works projects, but we have to have a good business climate. We're pro business. We need business to be successful. And to have a successful business climate, you have to have a good transportation system.

The legislature stepped up, and Senator, I've been in the capitol in Oregon for 20 years. I've never seen a coalition of labor management industry business people coming together to support increased user fees. There was virtually no opposition because we finally realized we had to do this to keep Oregon viable and create jobs.

Congress and the Administration has a Constitutional responsibility to fund the Interstate system. As you well know, Senator, every time the State wants to do things that perhaps Congress doesn't like or federally preempted commerce clause of the U.S. Constitution, only the Federal Government can regulate Interstate commerce, and therefore, they have a responsibility to fund these projects.

The last thing I'll talk about is funding. I was asked to talk about it. Of course, I support increasing these user fees. Bonding, very innovative great idea, Oregon does it. And right now our State Treasurer, I guess, unlike the Federal Treasurer, thought it was not only timely, but innovative and made a lot of sense.

I like the public private partnerships we're starting to look at both in Oregon and at the Federal level, very interesting way, and ODOT is actively looking into this.

As a second generation native Oregon, there's two things we don't like: We don't like sales taxes, and damn it, we're not going to pay tolls on our roads. I've changed my opinion on No. 2. I think that tolling, having traveled around the country where they have these new toll projects, is a minor inconvenience to the motorists and might be a way—another way—it hasn't been mentioned today—as a way to fund some of these projects.

For your benefit, Senator, I'm also intrigued and encouraged by the Federal procurement program for contracting, not so much highway work, but other types of projects in that the Federal Gov-

ernment is leading the way in looking at selective contractors for these projects perhaps not based solely on cost, but also on the quality of the contractors and the subcontractors they bring in.

In recent Federal work, Senator, I must say that every contract I've seen awarded by the Federal Government certainly went to a highly qualified contractor and was held to strict schedules. My point of all this is the taxpayers are getting their moneys worth by the way you procured the projects, and I'm proud to say Oregon is looking at that now.

I'll just follow up, it was finally mentioned by someone to the left of me it would help funding of highways if we'd quit raiding the trust funds as well as the other trust funds that have been set aside for the airports and others.

Last but not least, I'd be derelict only because I've heard this mentioned in Washington DC, any Federal funding program for public works that goes ahead would maintain, as it has for the last 70 years, the Davis Bacon Wage and Fringe Protection requirement in our public works bill to help ensure local contractors and workers to have a fair shot to build these projects and help ensure quality workmanship and productivity.

That concludes my remarks. Thank you.

Senator WYDEN. Well said. And you've done such a great job of advocating for the trades, and we go back a long way—

Mr. SHIPRACK. Yes.

Senator WYDEN [continuing]. You and I, through both your work and labor and at the legislature. I'm really glad to have you.

Mr. SHIPRACK. I appreciate it.

Senator WYDEN. Very, very good. Excellent presentation.

Mr. Hicks, I understand we've also got the Chair of the Chambers Transportation Committee here, Mr. Mike Montero, and why don't we bring him in.

Mr. HICKS. Thank you.

Senator WYDEN. Good. So our able recorder knows, this is Mr. Mike Montero. I think it's M-o-n-t-e-r-o.

Mr. MONTERO. Right.

Senator WYDEN. We welcome you and glad to have an expert on this. Why don't we start to get into this question of local involvement and what's triggered the petition and the concerns, and you can start with you, Mr. Montero, and go right down the line here and have you all give us a sense of what works with the current process and what doesn't work with the current process. Maybe we can just do that for all of you.

STATEMENT OF MIKE MONTERO, CHAIR, CHAMBERS TRANSPORTATION COMMITTEE

Mr. MONTERO. Senator Wyden, I think that we in Southern Oregon and, frankly, in Oregon in general have a lot to be proud of with regard to the template that we've developed. Commissioner Foster and, I might add, one of the members of this panel, not myself, were instrumental in developing this highly collaborative planning vehicle tool, if you would, that the State uses, and that's these area commissions on transportation.

I'm not going to go into all of the details, and perhaps an anecdotal illustration will help you to appreciate how effective they are

and how we believe that the template that was developed here in the Medford area and is now being exported throughout Oregon might be something for the Federal Government to look at.

If you can imagine for a moment a body with an individual, a voting member from each city in two counties, each county getting a vote, transportation district getting a vote, transit district getting a vote, and then you put four private sector business people from each county each getting a vote and you put them in a room and you say, "We have \$400 millions worth of projects, and by the way, we've got \$14 million to spend, you guys split it up."

We do it every other year unanimously, and I think I need say no more. It has been just a roaring success, and I think that it speaks well to the level of collaboration that we have here in the State.

I think it's particularly important for you to hear that because the scarce transportation revenues that are going to be available really need to be subjected to a process whereby they are spent properly.

I've got two additional comments that—I've been listening through the testimony—that are issues that are of particular interest to us here. You've heard Commissioner Kupillas talk about our air quality. You may or may not know that we have some significant limitations here.

So we are particularly mindful of the adverse consequences that would accrue to our area where we'd have a major failure of one of these bridges; so we applaud not only the Oregon Department of Transportation's commitment to repairing the bridges, but appeal to you folks to help fund that.

That said, that is more of a defensive operation than an offensive one, and when you think about where Oregon rests geographically on the West Coast, if we are forced to limit our investments to bridges, it puts the State at a distinct disadvantage in competing for additional growth and economic development activities.

As Oregon—or as California and Washington continue on a more robust economic development activity schedule, then that freight that moves through Oregon then consumes the capacity that we need. So that's why Commissioner Foster made, I think, a very specific comment that it's funding for the bridges, but we also need additional funding to ensure our modernization needs keep us economically competitive. So those are my comments with regard to the area here.

In addition to being the Chamber's transportation chair, I'm also the chair of the Regional Transportation Commission for ODOT and coincidentally Air Quality Advisory chair. So that's the symbiotic relationship in this Valley.

Senator WYDEN. You wear all the hats.

Mr. MONTERO. Well, at different times, thankfully.

Senator WYDEN. Not just multiple. All the hats.

Mr. MONTERO. It's important that it be recognized, and I was really encouraged that this panel was looking at both public works and environment. Sometimes they are viewed as mutually exclusive. They can never be viewed as mutually exclusive.

Senator WYDEN. Mr. Burrill, Mr. Hicks, any comments?

Mr. BURRILL. Let me comment on some of the questions that were asked of the previous panel in regard to citizen involvement and how ODOT is working with that. Through the years, I have served on citizen advisory commissions and service teams with ODOT, and I was on the solutions team of the south interchange, I-5 interchange we're looking at locally, and that is the project of the focus of the initiatives that have been filed.

I can tell you from my experience as being part of that process, it was a very open process, that not only did ODOT create a solutions team that had a variety of interests that brought the public together, it also invited people that are not part of the team to sit in on the meetings, the same people who are filing the initiative petitions were in those meetings.

There were no surprises. One of the things people need to realize and they don't, you may have several solutions you need looked at on a particular project, and South Medford Interchange had something like 14 different options we looked at through the process, but one of the options was a no-build option, and you take the no-build option and you project that into the future and say what will life be like on that corridor 10 years, 20 years from now if we don't do something? Life in that corridor will be far worse than it would be with the options that are being considered, and the option was selected.

The folks that live over there would like to keep things as they are now and not to have growth in the community, not to have increased traffic in the community, and let life go on, but we know that isn't the way it works.

And I think, Mr. Burrill, one of the things that we have happening in this Valley is that the communities around Medford are growing significantly, and yet the city of Medford is the regional retail shopping center; it's the regional medical center; it's the regional transportation center. So people from all of the outlying communities constantly drive into Medford to use the facilities we have here.

So even if Medford itself doesn't grow, the transportation woes we have to deal with here will grow. So I want to say, I guess, is that I feel that ODOT has done a very good job of reaching out to the public. And it's just those who would rather it didn't happen in their backyards are really the one opposed to it.

If this initiative was to pass, it would have a significant detrimental impact on the ability of ODOT to deliver projects into the Medford area.

Senator WYDEN. OK. Mr. Hicks.

Mr. HICKS. For many years the Oregon Tourism Department has had a slogan that says, "Things look different here," and lately that's taken on kind of a negative connotation.

But I think it's still true here in Southern Oregon and more so to the original spirit of that slogan as it relates to transportation. One of the groups that most of the people you've heard from this morning participate are individuals you've heard from this morning is a group called TRADCO. It's more than just a two-county collaboration, but it's also a public private partnership.

And every month members of the business community, members of ODOT staff, City staff, County staff and other interested individ-

uals and transportation agencies come together to report to one another and work on some of the issues that Mr. Montero was mentioning.

I think that's been a real success, and that was really the genesis or the birth place of those acts, and there was also somebody in the room here that has been a real advocate in both of those groups and these local efforts, and that's our Medford City Council person Skip Knight. So I wanted to recognize him.

As much as the Chamber is supportive of full funding, I want to make sure that we balance that with a regulatory environment at the Federal level that helps these dollars, making sure, I guess, we get the biggest bang for our buck. And being careful, I know you guys are looking right now, I think, the Senate just sent back over to the House the SHIPA proposal and that would create some weight and size restrictions on truck travel and on trucking.

And I just want to make sure we're being careful not to create more truck traffic. You know, we have different highways out here on the West Coast than maybe they do in Rhode Island or Connecticut. We might have five stoplights on Highway 97, and a highway that runs through Rhode Island maybe they have hundreds; so we want to make sure we're being careful to look at those things so that we're not creating a regulatory environment that would tie the hands of folks like Mr. Warner in allowing us to improve our infrastructure full throttle, so to speak.

But anyway I guess the final thing that I would say is that it's no secret that we've had some challenges in the Oregon Legislature—

Senator WYDEN. No.

Mr. HICKS [continuing]. This session, but even in the environment those folks are playing in right now, they manage to craft a bipartisan agreement to fund transportation in the State, and I think to Mr. Shiprack's point earlier, you see groups like business organizations such as our own, building trades, Republicans, Democrats coming together.

And I suppose to remind folks, like you say Senator Smith likes to say, there is no such thing as Republican and Democrat roads. They are just roads, and they are just transportation.

So I hope in Washington DC and in Congress that same thing will rule the day, and thank you again.

Senator WYDEN. Well, excellent points, and you know this whole question of making sure that you don't get the extra money and chew it up in red tape and bureaucracy, it's very important. You've been working on this streamlining effort for years, you go down this road on getting the project on the ground, digging the dirt, going forward, getting the work underway, and somebody would come in at the last minute and file some kind of NEPA environmental policy request, and the whole thing would be stalled for years.

And that was what Mr. Frankel was talking about trying to make sure those two are done concurrently, and we still have some ways to go, but it's illustrative of the very good point of chewing up time and money on unnecessary stuff.

On the SHIPA points, I'm advised that nothing is going to be changed in our State on truck length and weight requirements, but

obviously we're going to have to deal with this nationally, and we'll be anxious to work with the Chamber and all of you on it and certainly an area that ought to be watched.

Mr. Kratz, anything you like about the way the process goes now? Anything you want changed?

Mr. KRATZ. I think the comments I'll make are again going back to the business that we're in. When you ship a product like cherries and as highly perishable as those are, and that's just an example. That's how critical transportation is to us. So any initiative that may delay a project certainly is not in our best interest.

My recommendation on this would be, if there's any help certainly that you can provide, but really looking at what did we learn from the South Medford interchange process and try to reach some common ground, if there is any.

Having been involved with it, I thought it was a very, very open process, but certainly there's some folks that don't feel the same. And if we can sit down and learn that short of the initiative that's going to be on the ballot, that would be helpful, I think, for us to find some common ground.

Senator WYDEN. Great. OK. Well, listen we've been at it a long time. I think we all agree that we're going to need a transfusion of transportation help in our State given all this economic hurt out there. This is something that can provide a real shot in the arm and help with a lot of folks that have been flattened get back on their feet. And to a great extent, this holds our ability to meet the region's economic future not just today but down the road.

And we've got safety projects, projects like the Bear Creek Greenway, that are opportunities for recreation and improving the well-being of our citizens. And we're going to work with all of you and try to follow up on these suggestions, get people more involved in the process earlier.

I think that speaks to Mr. Hicks's point to make sure the money is used well and get people more involved early on rather than waiting for calamities to take place later down the road, and of course, the key is to get this done in a bipartisan way and a way that's fiscally responsible.

All of you have been excellent. Any of you panel members, anything you want to add? All right. The Committee on Environment and Public Works is adjourned.

[Whereupon, at 11:40 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. EMIL H. FRANKEL, ASSISTANT SECRETARY FOR TRANSPORTATION
POLICY, DEPARTMENT OF TRANSPORTATION

Senator Wyden, thank you for the opportunity to speak to you today about the importance of transportation to the economy. Secretary Mineta has stated that few things have as great an impact on our economic development, growth patterns, and quality of life, as transportation. This is equally true at the National, State, and local levels. A safe and efficient transportation system is essential to keeping people and goods moving and communities prosperous.

American households spent an average of \$7,000 on transportation in 1999, nearly 20 percent of their income and second only to the amount they spent on housing. In 1999, the U.S. recorded about 4.6 trillion passenger miles of travel and 3.8 trillion ton-miles of domestic freight shipments. The U.S. freight transportation network moved over 15 billion tons of goods in 1998. In 2000, more than 10 million people were employed in transportation-related industries.

Construction and maintenance of highway facilities also can help National, State, regional, and local economies grow by attracting new businesses and by providing access to new markets. Studies from the Federal Highway Administration show that highway infrastructure investments generate important economic benefits by reducing production costs, increasing productivity, and fostering private capital investment.

Since the enactment of the Transportation Equity Act for the 21st Century (TEA-21) in 1998, combined investment in highway infrastructure, by all levels of government, has increased sharply. Total highway expenditures by Federal, State, and local governments increased by 25.0 percent between 1997 and 2000. The increased Federal funding levels for highway capital investment under TEA-21 through 2000 have been matched and exceeded by increases in State and local investment.

In addition to economic benefits, this increased investment is reflected in improvements in pavement ride quality and reductions in bridge deficiencies. Increased spending for system improvements is one of a number of factors that has aided in the reduction of the Nation's highway fatality rate. The fatality rate per 100 million vehicles has decreased from 3.3 fatalities in 1980 to 1.5 fatalities in 2002.

Despite this progress, our Nation's transportation systems face significant challenges in the areas of safety, security, congestion, intermodal connectivity, and timely project delivery. Building upon the principles, values, and achievements of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and TEA-21, the Administration's reauthorization proposal—the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 or “SAFETEA”—addresses these challenges as it seeks to create a safer, simpler, and smarter Federal program.

SAFETEA builds upon the substantial funding increases under TEA-21 by calling for a record Federal investment in surface transportation, spending over \$201 billion on highway and safety programs, and nearly \$46 billion on public transportation programs, from fiscal year 2004 through fiscal year 2009. The Administration's proposal marks a 19 percent increase over the amounts provided in TEA-21.

These funding levels would be achieved by: 1) continuing the financial guarantees of TEA-21 that linked highway funding with the receipts generated by transportation excise taxes; 2) redirecting to the Highway Account of the Highway Trust Fund the 2.5 cents per gallon of the gasohol tax currently deposited in the General Fund; and 3) dedicating an additional \$1 billion a year of Highway Trust Fund dollars over and above each year's estimated receipts into the Highway Trust Fund to improve highway infrastructure performance and maintenance.

One of the main focuses of our proposed legislation is transportation safety. Although we have made improvements in the rates of fatalities and injuries on our highways, the total numbers remain intolerable, and they are rising. In 2002, nearly 43,000 people lost their lives on our highways and roads. Families are destroyed and promise is lost. The economic costs are unacceptable as well. The total annual economic impact of all motor vehicle crashes exceeds \$230 billion, a staggering figure.

For these reasons, the Administration has made saving lives an essential priority in SAFETEA. We have a moral, as well as an economic, obligation to address immediately the problem of transportation safety. The Bush Administration is committed to reducing highway fatalities, and SAFETEA offers proposals to take those actions that can make the achievement of this goal possible.

SAFETEA proposes the creation of a new core funding category dedicated to safety within the Federal-aid highway program. This new category will more than double funding over TEA-21 levels for highway safety infrastructure programs. The Administration also is seeking to consolidate and simplify the safety programs administered by the National Highway Traffic Safety Administration (NHTSA).

By enhancing their capacity and flexibility, State transportation and safety officials can target scarce Federal safety funds on the most relevant problems confronting their communities. Incentive bonuses will reward those States that achieve demonstrable safety results. Oregon should be commended for its stellar safety record, including an impressive 88 percent safety belt usage rate. In 2002, Oregon saw its total fatalities drop 12 percent from a year earlier. In fact, 2002 marks only the second time since 1956 that the annual number of fatalities has been less than 430. Considering that the State's population has doubled since 1956, this is a truly remarkable achievement.

Unfortunately, not every State has taken safety issues as seriously as Oregon has. The majority of States have not enacted primary safety belt laws, despite overwhelming evidence linking such laws to improved safety belt usage rates. Enactment of the safety provisions in SAFETEA would be an important step, we believe, in reducing highway fatalities and injuries, and providing greater flexibility to State and local governments to use these funds consistent with a comprehensive strategic highway safety plan.

Our Nation's transportation system faces significant challenges in other areas as well, such as timely project delivery, freight efficiency, congestion, and intermodal connectivity. Our proposal addresses transportation problems of national significance, while giving State and local transportation decision makers more flexibility to solve transportation problems in their communities.

SAFETEA would increase State and local government flexibility by eliminating most discretionary highway grant programs and making these funds available under the core formula highway grant programs. States and localities have tremendous flexibility and certainty of funding under the core programs. SAFETEA also would establish a new performance pilot program under which States can manage the bulk of their core formula highway program funds on a performance basis, cutting across the programmatic lines by which the Federal-aid highway program is normally structured. Under the pilot program, States would work with the Department to develop and meet specific performance measures that reflect both State and National interests.

The Administration believes that we can and must protect our environment while improving the efficiency of transportation project delivery. To accomplish this goal, SAFETEA would clarify the role of States or project sponsors in expedited review procedures, particularly regarding the establishment of time periods for environmental reviews, the initiation of dispute resolution procedures, and the preparation of Environmental Impact Statements.

For States like Oregon, which are planning major system upgrades, streamlining the environmental process will be a key factor in keeping the projects environmentally sound, on-time and on-budget. SAFETEA will also revise the Congestion Mitigation and Air Quality Improvement (CMAQ) program to better address the new air quality standards; revise the High Occupancy Vehicle (HOV) lane provisions to encourage the use of cleaner and more fuel-efficient vehicles; and encourage the active consideration and implementation of context-sensitive design principles and practices in all federally aided transportation projects.

The health and productivity of our Nation's economy is increasingly tied to a domestic and international goods trade. The importance of the movement of freight is evident in Oregon. On an average weekday, Oregon's highways move nearly 800,000 tons of goods worth over \$480 million. 1-5 is one of the most heavily traveled truck-freight corridors in the Western United States. Seattle to Portland truck tonnages rank among the top of Western metropolitan area truck trade interchanges. Oregon companies export over \$10 billion worth of products to foreign nations, including Japan, Canada, South Korea, and Taiwan—Oregon's leading foreign trade partners.

SAFETEA attempts to enhance our Nation's freight transportation system in a number of ways. First, the bill invests National Highway System (NHS) Program funds in the often neglected, but critical "last mile" roads that connect the NHS to intermodal freight facilities. Although these roads do not represent a significant portion of total NHS mileage, their health is critical to intermodal freight activity in many parts of the country.

Second, SAFETEA makes several innovative financing tools available for private intermodal freight projects. Under the credit program authorized by the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), the Administration's proposal lowers the project threshold to \$50 million from \$100 million and expands the program's eligibility to include freight projects involving the private sector. In addition, SAFETEA proposes that bonds issued to finance intermodal freight projects and highway facilities benefit from Federal tax-exempt status, even though private entities operate the facilities.

SAFETEA also provides valuable new tools for States and localities to manage existing and new capacity more efficiently. These tools would be particularly beneficial in heavy trade corridors where congestion is both more likely and more costly. Our proposal would allow States to establish variable user charges or tolls on any highway, bridge, or tunnel, including the Interstate System, to manage congestion or improve air quality. It would further allow States to permit Single Occupancy Vehicles (SOVs) on HOV lanes as part of such a variable toll pricing program.

The Administration fully recognizes that tolling is neither appropriate nor necessary on many highway facilities. However, we believe that States facing congestion crises should be permitted to explore all viable options to allocate scarce road capacity. In addition, tolling can provide a valuable revenue stream to speed up completion of a capacity expansion on the tolled facility. Empirical evidence regarding tolling, especially variable tolling, from parts of the United States and other parts of the world, strongly indicates that it can be a highly effective demand management tool and an important facility financing mechanism. The Federal Government should not be an obstacle to further innovation in this area.

In addition to the significant amount of funding provided through the core programs, all of these innovative proposals could be used to upgrade a major trade corridor like I-5. The Texas Transportation Institute (TTI) currently ranks the Portland/Vancouver metropolitan areas as the 12th most congested in the Nation, with I-5 being one of the most congested facilities in the region. In addition, congestion is projected to worsen substantially with rapid population growth and increases in vehicle-miles of travel (VMT) per capita. For example, congestion at the I-5 Columbia River bridge is expected to create six-to seven-mile peak direction queues during the morning and afternoon peak periods in 2020, if no improvements are made.

Working with the Portland/Vancouver I-5 Transportation and Trade Partnership and with our State partners in Oregon and Washington, USDOT is excited to begin the process of implementing the Partnership's comprehensive strategic vision of highway, transit and rail capacity expansion, better system management and environmental protection.

The proposal to reform the current Intelligent Transportation Systems (ITS) Program in SAFETEA will give incentives and flexibility to States that implement technology solutions to improve operations. As we increase total funding for capacity expansion, we must also look for ways to improve operational efficiencies. Few things offer more promise in this regard than technology.

In Oregon alone, vehicles drove over 34 billion miles on highways in 2001. In the preceding 10 years, vehicle miles of travel in the State grew 31 percent while lane miles of public roads in Oregon did not grow at all. As a consequence, traffic becomes routinely congested on nearly 500 miles of Oregon's highways, affecting in particular about two-thirds of the freeway mileage in Portland. Under SAFETEA, States will be rewarded for using technology to reduce delays caused by accidents, work zones, lack of intermodal integration, poor intersection signalization and lack of traveler information, among other things.

The State of Oregon and the city of Portland already have several Traffic Management and Operations Centers to monitor traffic, provide motorists with timely information, and respond to incidents. Truckers get immediate information on traffic delays through the Oregon Department of Transportation QuickFax service, which reaches over 150 trucking companies and 30 truck stops. SAFETEA will allow greater investments in approaches such as these to improve reliability, reduce travel times, and respond quickly to life-threatening situations.

SAFETEA also promotes common sense public transportation solutions by reducing the number of different program "silos" and formularizing all programs except the New Starts Program. This will give States and localities the flexibility they need to fund local priorities. We want States to maximize mobility and create a seamless community transportation network, not try to match projects to specific pots of money.

Here in Oregon, the success of the Portland Streetcar and the Portland Light Rail projects demonstrate how investments in public transportation can contribute substantially to the economic development of a city. Over \$1 billion has been invested near the Streetcar alignment since 1997, including over 3,600 housing units and over 2 million square feet of office, institutional, retail and hotel construction. Since the Portland light rail system was constructed, more than \$3 billion in new development and 10,000 housing units have been built along the tracks. More than 46 percent of downtown commuters use transit to get to work and the system eliminates 187,000 car trips every day. The most recent construction project, the Interstate Metropolitan Express (MAX) extension, generated 2,940 construction-related jobs, and is expected to relieve traffic on I-5.

Stable formula funds help agencies do more with limited resources because they give financial markets the confidence to support transit investments; give communities an incentive to commit long-term resources; and give community developers the confidence that the transit commitments necessary to support new development will be honored.

Under SAFETEA, New Starts would be expanded to provide capital assistance for new non-fixed guideway corridor systems and extensions that meet the New Starts criteria, as well as new fixed guideway systems and extensions. FTA has always funded meritorious public transit projects, but the current statute restricts New Starts funds to projects that utilize a fixed guideway. Fixed guideway projects are critical to public transportation and they will continue to be eligible for funding, but worthy projects that propose lower-cost non-fixed guideway solutions also deserve consideration. With today's technology—particularly bus rapid transit—a fixed guideway is often not the most cost-effective method of providing new or expanded corridor systems. The current rules encourage communities to choose a more expensive fixed guideway system in order to qualify for a New Starts grant.

Moreover, some small and medium-sized communities that would benefit enormously from the creation of new transit options simply cannot generate enough riders or travel-time savings to justify a more expensive fixed guideway system. We will work closely with Congress and with all of our stakeholders to ensure that, as we make room for these cost-effective, non-fixed guideway transit solutions, we do not compromise the intent of the New Starts program.

Finally, I would like to touch briefly on intercity passenger rail. As you know, the Bush Administration recently released the Passenger Rail Investment Reform Act of 2003, the first comprehensive proposal to fundamentally reform the Nation's intercity passenger rail system in thirty years.

The Administration's proposal would bring investment in intercity passenger rail in line with all other transportation modes by creating a system in which States and local communities, using capital investments supported by Federal funds, operate rail service in their areas. The proposal builds on proven models of success in attracting riders and providing quality service for travelers, such as the Cascades service between Portland, Oregon, and Seattle, Washington, and other State-funded trains in California and Illinois.

The Administration's proposal replaces subsidy payments to the National Railroad Passenger Corporation (Amtrak) after a transition period, with direct Federal matches for capital investment to be paid directly to the States. States and multi-State compacts would submit proposals for passenger rail capital investment and train operations to the U.S. Department of Transportation. Ultimately, States would be free to choose the train operations provider of their choice—whether a private company, a public transit agency or Amtrak.

At the rollout of the legislative proposal, Secretary Mineta cited the Cascades rail service, developed by Washington and Oregon, as a model for the support and innovative planning that results when communities and States take the lead in addressing their needs for passenger rail service. The two States have invested some \$170 million in developing high-quality passenger rail service from Portland to Seattle. State funds have been used to improve track, purchase new trains and upgrade stations. Oregon and Washington have provided operational subsidies to support the service and have hired Amtrak to run it. Other States are exploring the potential of such multi-State coalitions for the planning of intercity passenger rail service and eventually high-speed rail service.

We believe this model for investment—reflecting the States' better understanding of local priorities for passenger rail—should be the driver of Federal subsidies for intercity passenger rail. Oregon and Washington have done an outstanding, innovative job in building a service that works, but have had to do that without Federal support for capital investment. The Administration's approach would finally bring that support to the table.

These are challenging and exciting times for USDOT, the Congress, and the entire transportation community. We must work together for a long-term reauthorization of surface transportation and intercity passenger rail programs. Enactment of these bills is critical not only for funding stability, but also to implement innovative reforms that will provide more revenue dollars without raising taxes and produce cost savings through more efficient investment of the dollars that are made available.

Senator Wyden, this concludes my statement. I again thank you for the opportunity to testify today and I will be pleased to answer any questions you may have.

STATEMENT OF STUART FOSTER, CHAIR, OREGON TRANSPORTATION COMMISSION

Thank you Senator Wyden and Members of the Committee for this opportunity to discuss the State of Oregon's priorities for the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21). I am Stuart Foster and I am the chair of the Oregon Transportation Commission (OTC). The OTC is comprised of five citizen volunteers appointed by the Governor and confirmed by the Oregon Senate which sets policy directions and approves transportation funding decisions for the State. I am also a resident of Medford and a small business owner.

I would like to acknowledge what has been accomplished in Oregon with the Federal funds we received under TEA-21. In the first 3 years of TEA-21 alone, we built 78 modernization projects totaling \$164 million, 186 paving projects totaling \$288 million, and 296 bridge projects totaling \$153 million. We have improved pavement conditions statewide after years of decline; helped revitalize downtowns in rural communities such as Joseph and Lakeview; and, brought traffic fatalities down to the lowest level in over forty years. This is tremendous progress in just a 5-year time period.

On behalf of the Commission and the Oregon Department of Transportation (ODOT), I want to thank this Committee for its part in crafting TEA-21. This legislation has truly made a difference in this State. I also want to point out that it was Senator Wyden who led the charge 6 years ago to increase Oregon's share of formula funding when TEA-21 was being written. He was successful, and as a result, Oregon received 50 percent more funding than we received under the previous bill. Thank you Senator Wyden.

Looking ahead to the reauthorization of TEA-21, the State has developed a position paper on the reauthorization of TEA-21 together with the Association of Oregon Counties and the League of Oregon Cities. The recommendations in the position paper were delivered to each of Oregon's congressional offices and I have submitted a copy with my written testimony for the record. Our No. 1 priority is to increase Oregon's annual highway formula funding because:

- These funds make up the largest portion of funding in the bill.
- The State shares these funds with local governments.
- The State invests these funds wisely an inclusive public process determines how funds are spent.

There are three compelling arguments why Oregon should have its formula funding increased in the next bill. First, the Federal Government must help solve Oregon's \$4.7 billion bridge problem. The problem is simply too large for the State to solve on its own. Without Federal help, more bridges will be weight limited, effecting not just the movement of freight within the State but nationwide.

Second, experts forecast that freight traffic in the Pacific Northwest will outpace the national average. The State's aging transportation system and congested freight corridors such as Interstate 5 will not be able to accommodate this growth without greater Federal investment. Third, Congress should recognize the effort that the State of Oregon has made to address the bridge problem and growing congestion. The Governor and State Legislature recently enacted a State funding package that when bonded will generate \$2.5 billion for local and State transportation projects. \$1.9 billion is dedicated to repair and replace deficient bridges and \$100 million is dedicated to projects that improve freight mobility.

The position paper also highlights several other priority recommendations for reauthorization. They include:

- Increase overall funding for highways and transit programs.
- Maintain TEA-21's funding guarantees and firewall provisions.
- If funding is earmarked for "High Priority Projects", the Delegation should focus its efforts on fully funding requests that are eligible, feasible, reasonable, timely and widely supported.
- Continue TEA-21's basic program structure.
- Give States the flexibility to use Federal funds for rail capital improvements.
- Adequately fund passenger rail services.
- Strengthen research and innovative finance programs that improve freight mobility.

Prior to adopting the position paper, the Oregon Transportation Commission and our local partners spent considerable time discussing the issue of "High Priority Project" earmarks. It is important for the Committee to understand how these earmarks impact States and local communities. There are three thoughts I want to leave you with. First, when earmarks partially fund a project and the project sponsor (i.e. a local government) does not have funding set-aside to make up the shortfall, other projects that have been vetted through a public involvement process are delayed or canceled to free up funding for the earmarked project. Second, when funding is earmarked for a project that has not been evaluated by a State or regional prioritization process, those that "play by the rules" are penalized. Last, if funding is earmarked for a project that has not cleared most Federal and State environmental requirements, construction will not begin for many years, thereby losing the immediate economic benefit to the state of funding projects that are ready for construction.

Based on our experience with TEA-21, we strongly urge you to fully fund requests that are eligible, feasible, reasonable, timely and widely supported. The OTC worked very closely with Area Commissions on Transportation (ACTs) to develop a list of projects that meet these standards. Funding has been set-aside for these projects so they will be built if we receive close to the amount of Federal funding requested in the next authorization bill. And most importantly, these are projects that can be constructed over the life of the next bill. This Governor and Commission want to do everything we can to put Oregonians to work now, when good paying jobs are desperately needed.

Now that I have discussed the State's priorities for reauthorization, I want to take a moment to talk about the importance of collaboration. The OTC and ODOT are continually working to improve the way we work with our Federal and local partners to ensure that we maximize the use of Federal funds.

Federal law requires States to conduct 20-year long-range plans and a public process for selecting projects that will be funded with Federal dollars. Each State must publish a document every 2 years, a statewide Transportation Improvement Program (STIP), which shows which projects will receive funding. In Oregon, the general public, cities and counties, metropolitan planning organizations, regional governments, and representatives from the business community participate in this planning and funding prioritization process.

In recent years, we have begun implementing significant new initiatives to strengthen this collaborative effort. For example, we have formed a stakeholder group that is reviewing how the State selects projects for Federal funding. We have established a multi-agency agreement with Federal and State resource agencies on environmental stewardship and streamlining, known as the Collaborative Environmental and Transportation Agreement on Streamlining (CETAS). We have encouraged all regions of the State to form Area Commissions on Transportation.

ACTs are regional advisory committees to the Oregon Transportation Commission. Local governments, transportation providers (transit operators, ports, etc.) and private stakeholders in each region of the State are invited to meet regularly to prioritize projects and make funding recommendations to the Commission. They work closely with ODOT regional staff. Most ACTs encompass a two to three county area (see attached map). The idea is simple yet innovative for a State transportation agency give local communities from all parts of the State greater access to Federal funding and transportation policy decisions.

Mike Burrill and Sue Kupillas who are testifying later this morning can give you feedback on this region's experience with the Rogue Valley Area Commission on Transportation (RVACT). From the State's point of view, ACTs have brought more people to the decisionmaking table, which is leading to better decisions.

What does this discussion about collaboration have to do with the State's priorities for the reauthorization of TEA-21? As this Committee considers how Federal formula funds will be allocated among the States in TEA-3, we want to make sure you aware that Federal funding entrusted to ODOT is spent collaboratively and all Oregonians benefit. It is another important reason to support increasing Oregon's share of Federal highway formula funding and fully funding the list of projects approved by the OTC and submitted to the Oregon Delegation for High Priority Project funding.

This concludes my remarks. I would be happy to answer any questions.

STATEMENT OF BRUCE WARNER, DIRECTOR, OREGON DEPARTMENT OF
TRANSPORTATION

Good morning Senator Wyden and Members of the Committee. I am Bruce Warner and I am the Director of the Oregon Department of Transportation (ODOT). Thank you for this opportunity to discuss the importance of Federal investment in transportation in Oregon and the Pacific Northwest as part of the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21). I will briefly describe the distinctive importance transportation has to the Pacific Northwest economy and two specific challenges we face that require greater Federal assistance.

Before I begin I would like to recognize Senator Wyden for his leadership on transportation issues. He has been a tireless advocate in the Senate for improving all modes of Oregon's transportation system. On behalf of the Department, thank you Senator. I look forward to working with you and your staff to ensure the next "TEA" bill is as good for Oregon as TEA-21 and ISTEA were.

The Pacific Northwest region's economy is built on transportation-intensive industries. Agriculture, construction, transportation equipment, wholesale and retail trade, and manufacturing make up 54 percent of the Oregon-Washington economy, but only 49 percent of the national economy. As a consequence, our economy is more dependent on transportation.

The efficiency of the transportation system affects the competitiveness of Oregon-Washington businesses. To gain a competitive edge in reaching national and global markets, the region must have reliable and cost-effective access to its businesses, farms, ports, airports, and trade partners.

Efficient transportation is also important because the economy of the Pacific Northwest is dependent on global trade. Oregon and Washington export \$45 billion

of products each year. As a percentage of the region's economy, this is about twice the national average.

There is growing concern that the existing transportation system is not capable of supporting the growth in freight movements that we expect in the coming years. For example, import-export freight tonnage is forecast to double by 2020 and domestic freight tonnage is expected to increase by about 70 percent. Of particular concern in Oregon is the State's worsening bridge problem and congestion in the Interstate 5 Corridor.

Oregon faces a massive \$4.7 billion bridge problem that threatens the movement of freight within the State, the region, and across the country. More than 500 bridges, most on the Interstate System, are beginning to crack. Severe cracking has forced the State to weight limit an increasing number of bridges. For example, 12 bridges on I-5 are currently weight limited with a total replacement cost of \$187 million. Without significant new investment in Oregon's infrastructure, 30 percent of the State's bridges will be posted with reduced weight limits by the end of this decade.

Weight limited bridges not only restrict the movement of heavy trucks on the Interstate the routes established by Congress to carry the nation's freight but they drive up costs as freight is diverted off the Interstate, often onto local roads that were never built to handle such heavy loads. Safety is also a concern because many of the detour routes send large trucks down the "Main Street" of small communities that parallel the Interstate.

Oregon is not the only State facing this problem as thousands of bridges built throughout the country during the Interstate era are now at or nearing the end of their design life. These bridges were not built to be maintained indefinitely, but rather to be replaced at the end of their useful life. In Oregon, nearly 25 percent of bridges are greater than 50 years old.

The Governor and Legislature have responded to the problem. Just last month they enacted a \$2.5 billion State transportation bonding package, of which almost \$2 billion is dedicated to bridges. This major accomplishment alone is not enough, however, because the problem is simply too large and the impacts too far reaching. The Federal Government must also be part of the solution, particularly where the Interstate System is concerned and interstate commerce is negatively impacted.

I urge the Committee to look at ways to address this problem in the next authorization bill. Some options might include updating the current bridge formula to better direct resources to this particular problem, setting aside discretionary bridge funding as was done for California in TEA-21 following earthquakes in the early 1990's, or others.

Another major transportation challenge we face in the region is congestion in the I-5 Corridor, especially the highway and rail crossings over the Columbia River. The I-5/Columbia River crossings have become a major choke point that threatens the region's economy and livability.

At the I-5/Columbia River crossings, the cost of delay to trucks is forecast to increase by 140 percent from \$14 million in 2000 to \$34 million in 2020. The rail network is equally congested. Congestion adds about 40 minutes to every train move in the Portland-Vancouver area.

The cost of congestion affects both motorists and trucks but freight traffic is disproportionately affected as congestion spreads into times when truck deliveries are made, in the mid-morning after businesses open and mid-afternoon when most pickups are made before businesses close. Congestion leads to higher transportation costs for businesses due to delay, unreliable travel times, and increased inventory costs. The bottom line is Oregon businesses will find it harder to compete in domestic and global markets as congestion threatens their productivity.

A recent study showed that congestion in the corridor affects not only the Portland-Vancouver area but also the economies of Oregon, Washington, the West Coast and the Nation. For example, about half of rail shipments originating from Seattle-Tacoma travel south through Portland-Vancouver on the way to their final destinations. About 133 million bushels of wheat grown in eastern Washington and Oregon are shipped through the corridor for export to foreign markets.

Washington and Oregon are developing innovative solutions to overcome this threat. Through a collaborative public process, we have identified transportation improvements needed to relieve highway and rail congestion in the Portland-Vancouver segment of this critical corridor. There is much more work to be done, and we will be requesting additional help from this Committee in the coming years. We have a solid foundation upon which to build.

This Committee has recognized the national significance of the I-5 Corridor and included language in TEA-21 designating it a priority corridor and making it eligible for funding under the National Corridor Planning and Development Program.

Since then, more than \$7 million of Federal funding has been awarded to projects in the corridor. Thank you Senator Wyden and the Committee for your strong support of this important corridor. I think it is significant and worth pointing out that we have received funding under both Republican and Democratic Administrations for the corridor and it has strong bipartisan support in Congress.

In the Medford region, dealing with rapid growth and congestion in the I-5 Corridor is a priority for State and local officials. The solution is to upgrade interchanges on the Interstate to better accommodate freight traffic and improve safety for local residents. Again, with your help, Senator, and the help of the Oregon congressional Delegation, we have made some progress. We have funded two projects in Medford that will help alleviate congestion on I-5 when they are completed over the next several years.

As this Committee works on reauthorizing TEA-21, I strongly urge you to strengthen the existing national corridor program. Instead of spreading limited funding to dozens of corridors a year, the Committee should consider directing increased funding to a handful of corridors, such as the I-5 Corridor, that have true national significance as freight corridors.

In conclusion, Congress must take steps now to ensure that the nation's transportation system will be capable of moving greater numbers of people and freight, safely and efficiently. The Pacific Northwest will need extra assistance as experts predict that the region's population and freight movements will grow at a rate faster than the national average. In Oregon, our companies simply will not be able to compete in today's global markets if the Federal Government does not help us modernize our aging bridges and overcome congestion in major trade corridors such as I-5.

Thank you for inviting me to speak today. I would be happy to answer any questions.

STATEMENT OF HON. SUE KUPILLAS, COMMISSIONER, JACKSON COUNTY, OREGON

Senator Wyden and Members of the Committee on Environment and Public Works: My name is Sue Kupillas, fourth-term county commissioner in Jackson County. I come before you today to represent both county and city transportation systems. I support the reauthorization of TEA-21 funding. It is important to our county and to all Oregon counties as it directly affects our economy and quality of life. Additionally, I am here to address another issue that will be considered by this committee, namely, Transportation Enhancement funding.

I thank you for the opportunity to familiarize you with the transportation issues critical to Jackson County in Southwest Oregon. Furthermore, I take this opportunity to thank Senator Wyden for your leadership in helping Oregon receive its current funding level. While we still have far to go in terms of transportation funding, we have a good beginning in the dollars presently provided by TEA-21.

I serve as the Chair of the Rogue Valley Metropolitan Planning Organization (RVMPO) which includes seven cities, the Rogue Valley Transit District, Jackson County and the Oregon Department of Transportation (ODOT). Our role is to identify transportation policies, issues, and needs which are area-wide in scope, and to plan and recommend actions in areas of intergovernmental concern. The RVMPO's responsibility is also to ensure that transportation decisions are consistent with area-wide goals and objectives.

Oregon counties are responsible for more than 27,000 miles of county roads; 6,580 miles of local access roads; and 4,000 bridges with one dollar in resources for every four dollars in needs. The counties have 15,600 miles of paved roads. Of that number, more than 13 percent of the pavements are in poor or very poor condition. In Jackson County we have 720 miles of paved road and 220 miles of gravel road. We have approximately \$10 million in backlog of projects on roads which should be done in the next 5 years. Twenty-two bridges need repairs, totaling \$44 million. Jackson County, like many counties in Oregon, is being significantly impacted by large population increases which are creating more and more congestion problems in our urbanizing areas. Jackson County's population is growing steadily at over 3 percent per year.

Priorities for TEA-21 reauthorization are the following:

- Increase Oregon's annual highway formula funding. These make up the largest portion of funding in the bill.
- Federal transit funding must be increased. Public transportation systems are vital to keep our disadvantaged citizens a viable part of our communities.
- The funding guarantees and firewall provisions of TEA-21 must be continued. Assurance of continued revenues is vital to good planning.

- The basic program structure of TEA-21 works and should be retained.
- The Highway Bridge Rehabilitation and Replacement program (HBRR) is vital to keeping our roadways open. The cost to replace some of the bridges in poorly funded rural counties is nearly as much as an entire year's road maintenance budget. The 20 percent match requirement on HBRR projects also places a burden on poorly funded rural counties. States like Oregon, with large amounts of Federal lands have lower non-Federal match requirements than other States on certain programs. These so-called "sliding scale" provisions should be extended to the HBRR program.
- The Federal Forest Highway Program as part of the Public Lands Program provides vital money for improvements to county roads and State highways accessing National Forests for recreational use and forest management. These are the types of projects that do not compete well for funding against high capacity urban highways. However, without these rural projects both the National Forests and the communities that support them would suffer.

Increased Federal-aid for our rural roadways is vital for the safety of our citizens and the economic vitality and livability of our rural communities.

We thank you for funding past TEA-21 projects in Jackson County. In 1998, the North Medford Interchange was awarded \$19.6 million dollars; the I-5 viaduct structural overlay and seismic retrofit received \$15.4 million; I-5 Interstate Maintenance preservation project was \$12.8 million and Highway 62 Linn-Dutton widening project was funded at \$11.7 million.

A future priority in Jackson County is to widen Fern Valley Road to a five-lane section from Highway 99 eastward over I-5 to North Phoenix Road. It will add capacity on Fern Valley Road as well as provide safe vehicle, pedestrian and bicycle movements. The project is eligible for Federal funds because of the need to build a new higher capacity interchange to meet the congestion needs of the area. The request for earmarked funds is \$20 million. That, plus the State and local matches will total \$36 million.

This Fern Valley Interchange (Exit 24) is the first truck stop from California into Oregon. Also, Exit 24 serves as the main link between the I-5 corridor and the city of Phoenix. The interchange is under pressure because of continuous growth in both Phoenix and Southeast Medford. The growth and large volume of truck traffic using the interchange (Petro Truck Stop) has created an unsafe situation. This has caused the Interstate ramps to fail. Also, the inadequate sight distance of the existing I-5 crossing is unsafe due to a high vertical curve.

Another priority is the Hwy. 62 expressway between Medford and White City. Jackson County has managed the Jackson County Urban Renewal project in White City for 12 years. This project is a significant economic development project, as the industrial park in White City is within the project boundaries. The industrial park is an economic engine for all of Jackson County providing hundreds of family wage jobs with benefits as well as manufacturing products desired all over the world. Rail and truck freight as well as efficient access to I-5 are key to the continued expansion of industry in White City.

Several projects remain a priority as improvements are made to the infrastructure by urban renewal within the project. One of the most important projects is the Highway 62 expressway designation from Delta Waters, Milepost 1.59 in Medford to Linn Road, Milepost 10.6 in Eagle Point. The highway is part of the National Highway System (NHS) from Milepost 0.41 to the State Highway 140 intersection, Milepost 6.03. Current average daily traffic within the NHS portion of Hwy. 62 is 43,000 vehicles per day. It is projected to be at 57,000 vehicles per day in 20 years. The service level at the Delta Waters intersection is failing now and is projected to be at a much lower service level in 20 years. The project proposes to restore the function of Hwy. 62 as an expressway within the NHS section, relieving the congestion and capacity problems.

The original project was initiated in 1997. Work on the Environmental Impact Statement (EIS) for the corridor was re-directed to focus on the I-5 to Poplar Drive area, designated Unit 1. Unit 1 will begin construction in FFY2003. The recently restarted Hwy. 62 corridor solutions process will complete the EIS in approximately 2 years. Current conceptual design estimates range from \$130 to \$200 million, depending on the alternative selected. This estimate is to build the entire corridor. The project could be phased in two units, however, phasing the project may create risk.

Attached to the testimony is a letter from Commissioner Dave Gilmour. He, with support from the entire Board of Commissioners, is renewing interest in extending Hwy. 140 through the White City area to the Seven Oaks Interchange north of Central Point. While this is not on a priority list today, it has been in the past. The connector would solve many congestion problems on Highway 62.

Another issue that the transportation committee should pay attention to is one created by an omission of the House Appropriations Committee, a separate matter from TEA-21 reauthorization. Section 114 of the FY04 Transportation and Treasury Appropriations Bill would eliminate funding for Transportation Enhancements. I strongly urge you to restore funding for this important program before the Senate and/or Congress completes work on the bill.

Transportation Enhancement dollars have been put to good use in Oregon since the program's inception in 1991. Over 70 Oregon communities around the State have benefited from the transportation improvements made possible by this program rural and urban communities alike.

Downtown "Main Streets" have been revitalized, bicycle and pedestrian access has been improved, and historic transportation landmarks are being restored for current and future generations of Oregonians to enjoy.

The Bear Creek Greenway project in Jackson County has benefited not only county government, but also 5 cities, including Central Point, Medford, Phoenix, Talent and Ashland. Gold Hill, Ashland, Klamath Falls and Grants Pass have also secured Transportation Enhancement funds for other community projects.

The current 2.75 mile trail segment is the third Greenway project built with these funds. It is a good example of enhancement dollars serving to build a trail that can reduce the number of vehicle trips on roadways. It also is an excellent example of a private/public partnership that leverages both money and community involvement. We will need funding in the future to fund the gaps in the trail between Medford and Talent. When completed the Bear Creek Greenway will be continuous between Ashland and the Pine Street Bridge in Central Point.

A vision for people in the city of Rogue River is to bring the trail to Rogue River, with secondary trails including Gold Hill and Eagle Point. This vision is being studied by an independent group of citizens in the community of Rogue River.

Transportation Enhancement funding represents just 10 percent of the overall Federal Highway Bill but provides enormous direct benefit to local governments that cannot be secured anywhere else. Millions of dollars in on-the-ground projects are at stake. Safe, flexible, efficient transportation equity are all as important to non-motorized travel as to roads and highways.

The economic benefits of trails have been studied by the National Association of Realtors and the National Association of Home Builders. The survey report, Consumers Survey on Smart Choices for Home Buyers, released in April shows that 36 percent of 2,000 recent home buyers designated walking, jogging or biking trails as either an "Important" or a "Very Important" community amenity. Trail availability outranked 16 other options including security, ball fields, golf courses, parks and access to shopping or business centers. Only highway access beat out trails as 44 percent of the surveyed indicated.

Not only do home buyers like homes near trails, but motels, and other city restaurants and businesses like to locate near trails. It enhances the economic vitality of cities and businesses alike.

Finally, trails and greenways are a great economic boon to communities and add to the quality of life as we connect all our cities. It is not possible to build our way out of congestion. Meaningful alternate transportation options are the only way to assure any future quality of life. Trails move people at a slower pace, a respite from our pressured society. They provide excellent opportunities for our stressed, overweight, sedentary populations, without any fee.

Thus many enhancements not only contribute to Oregon's livability, but also to the economy. Tourism is a major component of the State's economy and many enhancement projects including trails, support local efforts to increase tourism. Given the downturn in the economy, supporting the State's tourism industry and the many small Oregon businesses that make up that industry, is more important now than ever.

Oregon in the recent past had a jobless rate of 8.5 percent, a national high. It currently has fallen to 8.1 percent.

An infusion of transportation dollars into our sluggish economy will certainly give us a short-term boost, with the long-term benefit of more efficient systems to serve our rapidly growing freight industry and general population.

Thank you for allowing me to speak today. I will be happy to answer any questions.

STATEMENT OF MICHAEL BURRILL, SR., CEO, BURRILL FAMILY COMPANIES

Good morning Senator Wyden, members of the committee my name is Michael Burrill, Sr. and I am the CEO of the Burrill Family Companies, a mix of companies involved in real estate acquisition, development and sales.

Relative to this discussion, I also serve as Chair of a local, two county transportation advocacy group named TRADCO, which I'll describe later, and as a member of the Oregon State Aviation Board. I also serve on the Freight Advisory Committee for the Oregon Department of Transportation.

We understand that our transportation future may rest on the banks of the Potomac so, let me thank you for saving us the 3000-mile trip.

Over the life of the Federal highway program, funds have been targeted mainly at construction and repair of highways. While I want to join the others in stressing the importance of those efforts, as a member of the State Aviation Board, I want to also suggest that our nation's transportation infrastructure is more than highways, but, air, rail, pipelines and waterways as well.

Freight transportation can no longer be taken for granted, and "seamless multimodal trade corridors" are no longer the stuff of transportation fiction. Transportation—as an integrated system—is an essential component of America's global competitiveness, and, as such, it can no longer be relegated to the backbench of U.S. public policy.

Today, as we continue to respond to the events of September 11, we should strengthen, not diminish, America's freedom of movement, and transportation systems to effectively grow the economy. Consequently, service interruptions—like accidents, congestion, driver shortages, labor strikes, late arrival of planes, ships and trains, terrorism, security inspections and unpredictable systemic inefficiency—can quickly unravel today's tightly strung systems. That's why many of us in the business community are challenging proposals that are advanced to make us feel more secure, but which won't work. I believe that defending our homeland should be achieved without losing our openness and mobility, or slowing the engines of commerce.

Many think about transportation vertically or each particular mode as an individual economic mechanism. Each, of course, has its strengths and its weaknesses, and its wants and needs and those are legitimate characteristics of individual business. But in today's world, American economic efficiency requires that we rise above parochial thinking. I encourage TEA-21 and AIR-21 reauthorization so that we might continue the process of developing our transportation network as an integrated system.

I'd like, for a moment to talk about a local success that I hope will suggest that southern Oregon is doing its part to help find solutions to our growing transportation needs. I mentioned earlier a group called TRADCO. The mission of TRADCO is to offer an educational forum and to use political and social influence to advocate for the improvement and maintenance of the Jackson/Josephine County Transportation System consistent with the region's transportation goals. This initial public/private forum was designed to bring all of our region's stakeholders to the table for the purpose of true coordination of our area transportation projects. What we started worked so well that it is was the inspiration for Rogue Valley Area Commission on Transportation (RVACT) and subsequent Area Commission on Transportations (ACTs) around the State of Oregon. The Oregon Transportation Commission reached out to the local communities for assistance in identifying and prioritizing transportation projects by creating the ACT's in the differing geographic regions of the State.

There are many consequences of a sub par system—congestion, decreased productivity, more accidents and diminished competitiveness. Not to mention the billions of dollars that are lost when products don't reach their destinations on time or when projects are not coordinated so we get the greatest benefit at the least cost. Coordination should be not only at the local level but at the State level and even between States. This fall The Oregon Aviation Board, Oregon Department of Aviation and the Port of Portland will be holding the first ever Aviation System Planning Conference focusing on the Northwest and involving the States of Washington, Oregon, Idaho and possibly California. The purpose of this conference is to start a dialog within the region involving system growth and planning and regional solutions to the planning process.

Let me close by saying that since 1956, when the Congress enacted President Eisenhower's plan to have an Interstate Highway System designed to protect American public's safety and the American economic machine as well; the Federal Government has taken a leadership role in preserving our investment in that national system of highways, bridges, airports, and other portions of our transportation system I want to urge you to enact a successor bills for the reauthorization of both TEA

21 and AIR 21 that will continue the legacy of maintaining a top-quality transportation network.

Thank you for your consideration. I'd be happy to address any questions.

STATEMENT OF BRAD HICKS, PRESIDENT & CEO, THE CHAMBER OF MEDFORD/
JACKSON COUNTY

To Senator Ron Wyden, and to members of the Committee, thank you all for allowing me to appear before you today to discuss our thoughts regarding reauthorization of the next TEA—21. For the record, my name is Brad Hicks, President & CEO of the Medford/ Jackson County Chamber of Commerce. Our Chamber is the second largest in the State of Oregon representing companies and organizations of every size, sector and corner of southern Oregon. My testimony will address some thoughts about reauthorization that are critical for the business community and equally critical to the Nation.

Safe, unclogged roads are vital to this country. These highways and bridges impact the independence and mobility of our citizens, our productivity and employment base, our competitiveness and maybe now more than ever, our national security and health of our economy. I believe that the 108th Congress will look at few other priorities that will have a more direct impact on the personal and professional lives of their constituents than the decisions on transportation investments.

For our country, as I stated, the investment in our transportation infrastructure is directly connected to future economic growth, competitiveness, quality of life and national security. That is no different here in southern Oregon. As a regional economy, Medford, Jackson County and southern Oregon each enjoy the benefits of the family wage jobs provided by the trucking companies who reside here. In fact, one of this area's largest employers is a trucking company employing hundreds of residents at above average wages. This does not take into account the many smaller trucking firms, brokers and other related businesses. However, while there are obvious economic advantages to our geographic situation, because Medford is a "pass through" region for many using the 1–5 corridor, southern Oregon is also left to contend with well-used infrastructure.

Taking into consideration the significant, positive, impact to the region's economy that sound highways and bridges have—combined with TEA 21's tremendous investment, to date, making transportation safer, less congested and more efficient—it seems apparent that a well-financed, dependable and efficient transportation system is essential for a healthy Oregon business climate.

In order to achieve that end, I'd like to suggest that the "budgetary firewall" be restored to ensure the original promise of the Highway Trust Fund—that highway taxes would be used exclusively for highway improvements and to continue to explore other options for increasing revenue to the Highway Trust Fund, including:

- Drawing down the nearly \$20 billion surplus in the Highway Trust Fund;
- Restoring Interest payments to the Highway Trust Fund;
- Exploring other innovative ideas that would leverage private sector investments in transportation.

Once reauthorization of TEA–21 has occurred and the debate begins as to where those dollars will go, I hope, Senator, that you'll help fully fund Oregon's priority projects and of particular interest to those of us in southern Oregon, the Fern Valley Interchange project between Phoenix and Medford.

In closing, the The Chamber will continue to advocate increased spending on transportation infrastructure and streamlining of environmental review process. We will play an active and aggressive part in advancing the idea of a transportation agenda that strengthens our transportation systems. This is a new environment that requires new thinking and new approaches to transportation that should be characterized by changed behaviors and measurable results. We will continue to remind the public and Congress that infrastructure is not disposable—it is a strategic asset that must be renewed and protected.

The impact of doing nothing will be increased congestion, decreased safety on our roads, and setbacks in our ability to improve air quality. Our Chamber and chambers throughout the Nation look forward to working with Congress and the President to bring about continued, predictable investment in our nation's transportation system in TEA–21 reauthorization. Investment in our national transportation system will ensure we remain a leader in the global marketplace.

Thank you, and I am happy to answer your questions.

STATEMENT OF PETE KRATZ, SENIOR VICE PRESIDENT & GENERAL MANAGER
PRODUCT SUPPLY, BEAR CREEK CORPORATION, MEDFORD, OR

Good morning. My name is Pete Kratz and I am senior vice president and general manager for product supply for Bear Creek Corporation. Thank you for allowing me to address a subject that is a critical factor in our success as a business: transportation.

Bear Creek Corporation includes two of the largest catalog companies in the Nation, Harry and David, and Jackson & Perkins. Also our Medford campus is the headquarters for the Harry and David stores and Jackson & Perkins wholesale. We are the largest employer in the entire southern Oregon region. This year, we will employ in excess of 7,300 seasonal and full time employees in the Rogue Valley.

Probably the most well known of our companies is Harry and David. Founded in 1919 by two brothers, Harry and David Holmes, we have been one of the primary economic backbones of this valley for years. Our current revenues approach \$600 million.

The statistics associated with our companies today are impressive. We mail more than 110 million catalogs, and each year we ship in excess of 9 million packages, both in this country and internationally, to more than 100 nations. Our payroll this year in Medford is in excess of \$100 million. For many people, the name Harry and David is synonymous with Medford, Oregon.

As you can well imagine, transportation is essential to a company such as ours. Back when we started, it was rail service we counted on to move our product. Today, it is the highway system.

Millions upon millions of gifts spend some time on Interstate 5. They are transported to regional air express centers in California and Portland. Daily cutoff times for these express deliveries make any delay in surface transportation critical to the service of our customers. There are trucks that take products to our regional distribution center in Ohio, while other trucks move our gifts to mailing centers and our 147 Harry and David stores in 34 States.

There are trucks that bring fruit, raw materials and packaging to our Medford campus. Many of these deliveries are made just-in-time to support our production operations. This method of operations lessens the burden on local transportation systems and reduces truck movements between local storages. Many of our packages are highly perishable fruit that are received at our packinghouse, gift packed and then shipped within 1 day. An efficient transportation system is essential to the viability of this business.

Last year there were over 30 inbound truck deliveries to our Medford campus per day in our peak production month. During our peak-shipping month, there also were more than 30 outbound trucks per day.

We project that over the next 10 years our business will continue to grow at near double-digit rates. That means several things for this region. It means young people from local education centers won't have to move to other cities to find excellent jobs. It means the local area will have a steady stream of good paying and dependable jobs. Conversely, it also means a need for good and dependable surface transportation. This is transportation for both our employees and for our products.

Key regional transportation projects including the South Medford interchange for I-5 and improvements to Hwy 62 in Medford are critical to sustaining and growing our business.

I would also suggest a place at the table for business on the Metropolitan Planning Organization (MPO) as a way of aligning economic growth with transportation planning.

In 1919 two creative brothers were drawn here for the rich pear orchards. Because of the rail transportation system, they were able to start the multi-million dollar business that we manage today. Just as it was in the early days, transportation is still vital to our company and its future.

