

**STATEMENT OF MARY E. PETERS
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ON THE REAUTHORIZATION OF
SURFACE TRANSPORTATION PROGRAMS
BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS, TRANSIT AND PIPELINES
UNITED STATES HOUSE OF REPRESENTATIVES
May 20, 2003**

Chairman Petri, Congressman Lipinski, Members of the Subcommittee, thank you for inviting me to testify in support of the Administration's proposal for reauthorization of our surface transportation programs—the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 or “SAFETEA.” From the beginning of my tenure as Administrator of the Federal Highway Administration (FHWA), I have been working toward, as well as looking forward to, this day. This is a time of great opportunity--and of great challenges as well. I am confident that, working together, Congress and the Department can preserve, enhance, and establish surface transportation programs that provide not only for a safer system, but one which is more secure, efficient, and that will enhance the quality of life for all American citizens.

Mobility, as Secretary Mineta has said, is one of our greatest freedoms, and the SAFETEA proposals for reauthorization, developed under his leadership, give us the resources, tools, and authorities necessary to address the nation's mobility needs. 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 year (FY) 2004 through FY 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 the Transportation Equity Act for the 21st Century (TEA-21) that linked highway funding with 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.

The Administration opposes raising gas taxes at this time when many American families that depend on their vehicles, and businesses that rely on affordable ground transportation, are facing challenging economic circumstances.

Secretary Mineta has described SAFETEA as a plan, not just for the amount of Federal funding to be spent for surface transportation infrastructure, but for the way we will spend the funds--a "blueprint for investment.”

The details of this blueprint for FHWA were determined by the central problem Secretary Mineta directed us to address in our reauthorization proposal: improving surface transportation safety and saving lives. Moreover, this problem had to be solved while continuing to provide for efficient movement of people and goods, and preserving

our infrastructure. But always, the overarching concern has been safety. We sought to advance safety improvement wherever possible within our legislative proposal, just as we encourage the States to build safety into every surface transportation project.

Improving stewardship was a second guiding concern in developing our reauthorization proposal. Secretary Mineta has consistently challenged the Department of Transportation with setting a higher standard of accountability for its operations, and I have personally promised Congress that I would strengthen oversight and accountability for funds administered by FHWA. A rededication to accountability for the investment and management of public resources entrusted to us characterizes our proposal and will characterize FHWA's performance in implementing the new legislation.

Our proposals will lead not only to safer highway transportation but to simpler and smarter delivery of Federal highway programs as well. At the Federal level, we will address transportation problems of national significance, while giving State and local transportation decisionmakers more flexibility to solve the unique transportation problems of their communities. New flexibilities in infrastructure financing will increase opportunities for private-sector investment in highway facilities. Refinements in program administration and environmental review processes will make project oversight more effective and project delivery more efficient. And, we are focusing our transportation research efforts on improving today's highway system performance, and anticipating and developing options to deal with future challenges.

SAFETEA builds on the funding guarantees of TEA-21, retaining the important linkage between tax revenues and spending, and proposes a sustainable level of investment in highway infrastructure over a six-year reauthorization period. Funding guarantees and a six-year reauthorization are crucial for the certainty and predictability that State and local officials must have to adequately plan and manage their programs.

SAFE

Although we have made significant improvements in the rates of fatalities and injuries on our highways from 1980 to the present, the actual number of fatalities continues to grow. Nearly 43,000 people lost their lives on our highways and roads in 2002. The accompanying economic costs are unacceptable as well, with the total annual economic impact of all motor vehicle crashes exceeding \$230 billion.

As Secretary Mineta stated: "We have a moral, as well as an economic, obligation to address immediately the problem of transportation safety." The Administration's bill offers solutions that can make fulfillment of this obligation possible.

Highway Safety Improvement Program (HSIP). Our proposals include creation of a new core funding category dedicated to safety within the Federal-aid Highway Program. This new program, the Highway Safety Improvement Program (HSIP), would more than double highway safety funding over the TEA-21 levels and increase visibility for safety projects and initiatives. HSIP would provide \$7.5 billion for safety projects over the six-year reauthorization period. Combined with the portion of the Minimum Guarantee that is directed to the HSIP, there would be an estimated total of \$8.6 billion for the program. Establishing a separate, dedicated funding category for the

new core highway safety program signals the importance that the Administration places on investment for safety improvement and enhances our emphasis on safety as an integral part of the Federal-aid Highway Program.

In addition to providing increased safety funding, SAFETEA would encourage and assist States in formulating comprehensive safety plans. HSIP would retain the current requirement that States have a process in place to analyze highway safety problems and produce a list of projects to be funded based upon the analysis. The Secretary would develop guidelines for State use: for strategic and performance-based goals that address safety problems and opportunities on all roads and focus resources on areas of greatest need; for data improvement; for a program to prioritize projects to address potential as well as existing highway safety problems; and for an evaluation process to assess results of safety improvement projects. States would report to the Secretary on their progress in implementing safety improvement projects and the effectiveness of the improvements.

HSIP would preserve State flexibility to use safety funds for projects on all public roads and publicly-owned pedestrian and bicycle paths. The fatality rate on rural local roads is almost four times higher than on the Interstate. To significantly reduce highway fatalities, the death rate on rural roads must be reduced.

The Department's reauthorization proposal for safety represents a collaborative effort by FHWA and the National Highway Traffic Safety Administration (NHTSA) to create an approach under which States would receive more resources to combat their own, specific, transportation safety problems; be strongly encouraged to increase their overall safety belt usage rates; and be rewarded for improved performance with increased funds and flexibility.

Two important components of NHTSA's SAFETEA provisions are a General Performance Grant and a Safety Belt Performance Grant. The Safety Belt Performance Grant rewards States for passing primary safety belt laws or achieving 90 percent safety belt usage rates. Any State that receives a General Performance Grant for the achievement of various other safety performance measures is permitted to use up to 50 percent of those funds for activities eligible under HSIP. In addition, any State that receives a Safety Belt Performance Grant for the enactment of a primary safety belt law is permitted to use up to 100 percent of those funds for infrastructure investments eligible under HSIP.

Under FHWA's new core program, States would have the flexibility to use HSIP funds for activities otherwise eligible only for funding under the NHTSA program, such as public awareness campaigns, education, and enforcement activities, provided that such activities and projects are consistent with a State strategic highway safety plan. To qualify for the funding flexibility between NHTSA and FHWA programs, a State must develop a strategic highway safety plan consistent with the criteria set forth in the HSIP provisions, including a comprehensive and collaborative safety planning process. In addition, beginning in fiscal year 2005 and for each year thereafter, 10 percent of the funds available to a State to carry out the HSIP must be obligated for projects under section 402, unless the State has enacted a primary safety belt law or the State demonstrates that safety belt use in the State meets or exceeds 90 percent.

Overall, this safety program would offer States much greater flexibility in how they spend their Federal-aid safety dollars, reward them for accomplishing measurable

goals, and encourage them to take the most effective steps to save lives. Secretary Mineta describes the combination of NHTSA and FHWA safety provisions as exactly the kind of proposal that is needed to more effectively tackle the tragic problem of highway fatalities.

National Blue Ribbon Commission on Highway Safety. Included in the Administration's proposal is the establishment of a National Blue Ribbon Commission on Highway Safety to identify an achievable, shared national goal for the reduction of highway fatalities, develop a consensus within the highway safety community and the public in support of the goal, and recommend a comprehensive plan with specific strategies for achieving this goal. The goal would address highway safety needs comprehensively in the areas of engineering, education, enforcement, and emergency response. Identification of a national safety goal has proven very successful in helping European countries reduce crashes, injuries, and fatalities, and, we believe, can have positive results for us as well.

Federal Lands Highways Program Safety Funding. Investments for safety cut across program lines in our reauthorization proposal. In addition to the new core program, SAFETEA establishes a new safety funding category under the Federal Lands Highways Program. This new category would provide \$40 million for each year of the reauthorization period in funds dedicated for use by the Secretary and by Federal Land Management agencies for transportation safety improvement projects, including projects and activities eligible under the NHTSA-administered title 23 highway safety programs.

STP Funding for Safety. Other funding for safety includes a proposed increase to \$600,000 per year, from the current \$500,000, in the Surface Transportation Program (STP) setaside for Operation Lifesaver, to be used to carry out a public information and education program to help prevent and reduce motor vehicle crashes at railway-highway crossings. A new STP setaside of \$500,000 per year for fiscal years 2004 through 2009 would be authorized to provide dedicated funding for the continuation of a national bicycle and pedestrian clearinghouse, which develops information and educational programs, and disseminates techniques and strategies for improving bicycle and pedestrian safety.

Research and Technology. In the transportation research and technology (R&T) area, a safety-specific research program, continued under SAFETEA, helps States identify opportunities for safety improvements, provides tools to better focus safety investments, and permits development and deployment of safety technologies. It focuses on the deployment and evaluation of safety technologies and innovations at State and local levels and the deployment of best practices in safety training, management, design, and planning. Areas to be emphasized include the most serious kinds of accidents resulting in the greatest loss of life--roadway departure crashes, intersection fatalities, and pedestrian fatalities.

Moreover, safety considerations are integral to all our R&T programs, such as infrastructure research for breakthrough technologies that reduce the need for repairs, thus reducing the number of work zones, and improve system condition for improved

driving safety. The Administration is proposing a significant increase in R&T investment, including a one-third increase in annual Surface Transportation Research, Development, and Deployment funding. The increase from \$153 million (in FY 2002) to \$199 million would bring the overall total for Research, Technology, and Education support in SAFETEA to over \$400 million annually.

Intelligent Transportation System (ITS) research and development provides for smart and innovative solutions to transportation safety. SAFETEA proposes \$121 million annual funding for ITS research and development, a 20 percent funding increase over TEA-21. The ITS research and development proposal continues the successful Intelligent Vehicle Initiative public-private partnership that develops and deploys advanced technologies to save lives by preventing crashes. It is estimated that application of just three intelligent vehicle technologies on each newly manufactured motor vehicle could prevent one in six traffic fatalities--more than 7,000 lives saved annually.

Investments in research and technology are an integral part of our stewardship responsibility to help State and local governments use Federal-aid funds wisely, and are an important part of our blueprint for the future.

Additional Safety Funding. Improvements in system conditions and operations benefit safety as well as mobility and, under SAFETEA, States may continue to use STP, Interstate Maintenance (IM), Highway Bridge Program, and National Highway System (NHS) funding for safety-specific improvements. Construction programs contribute to safety by improving unsafe roadway design and operations, improving the condition of bridges, and removing roadway hazards. Signing and pavement improvements can enhance the safety of existing and new facilities for all users of the highway system. Safety can be built into every interchange upgrade, intersection redesign, or new facility through safety conscious planning and design.

The Administration is very serious about addressing transportation safety problems in this reauthorization bill and will put in place a programmatic framework that will lead to a reduction in highway fatalities.

ACCOUNTABLE

Congress and the American public rightfully hold the Department accountable for ensuring that Federal highway funds are used in the most efficient and effective manner possible. A guiding concern for our reauthorization proposal has been to continue to strengthen stewardship of Federal resources. Increased accountability will ensure that every dollar spent will yield the maximum benefit in terms of saved lives, reduced congestion, and increased mobility.

Stewardship and Oversight. SAFETEA includes a stewardship and oversight proposal that was developed in response to recommendations from the Department of Transportation's Inspector General. It would establish an oversight program for monitoring the effective and efficient use of title 23-authorized funds, with a specific

focus on financial integrity and project delivery. Under this provision, the Secretary will perform annual reviews that address elements of States' financial management systems and project delivery systems. Risk assessment procedures shall be used to identify review areas. As part of the financial integrity oversight, the Secretary will develop minimum standards for estimating project costs, and periodically evaluate States' practices for estimating project costs, awarding contracts, and reducing project costs. These requirements will lead to more reliable and consistent project cost expectations. In addition, States are required to determine that sub-recipients of Federal funds have sufficient accounting controls and project delivery systems.

Under current law, title 23 projects with an estimated total cost of \$1 billion or more are required to submit an annual financial plan to the Secretary. Our stewardship provision would add a requirement that these projects submit project management plans as well. Also, the Secretary would be given the authority to require a project with an estimated total cost of less than \$1 billion to submit an annual financial plan and an annual project management plan. The project management plan would ensure adequate procedures and processes for providing timely information to the project decisionmakers for management of scope, costs, schedules, and Federal quality requirements of the project, and would define the role of the agency leadership and management team in the delivery of the project. This section would further require preparation of an annual financial plan for any project that receives \$100 million or more in Federal financial assistance.

The stewardship and oversight section of SAFETEA would also mandate debarment of contractors who have been convicted of fraud related to Federal-aid highway or transit programs, mandate the suspension of contractors who have been indicted for offenses relating to fraud, and provide for States to share in monetary recoveries from Federal fraud cases. This proposal would help States fund additional transportation programs and increase oversight activities

Highway Use Tax Evasion. Evasion of Federal motor fuel taxes is a serious and growing problem that requires a serious Federal response. SAFETEA proposes a number of modifications to the collection of highway user fees and would provide more resources to a collaborative government-wide enforcement effort at Federal, State, and local levels. More than \$200 million would be directed to highway use tax evasion projects over the reauthorization period. Curbing fuel tax evasion potentially could increase resources for transportation investment.

At a time when transportation needs greatly exceed available resources, it is more important than ever to insure that taxpayer-provided funding for highway infrastructure is well managed and wisely used to get the greatest return on each dollar invested. The challenge we sought to meet with our reauthorization proposal was to improve oversight and accountability for the expenditure of public funds, while facilitating the States' and local governments' delivery of their infrastructure programs.

FLEXIBLE

In crafting our legislative proposal, we had the advantage of working from the programmatic framework, funding structure, and financial resources provided by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and TEA-21, which made possible the exceptional highway system we benefit from today. A central concept of ISTEA and TEA-21 was added flexibility for State and local officials to determine how their Federally-apportioned funds could best be invested. SAFETEA expands upon this principle by giving States and localities even more discretion in key program areas.

As stated above, States would be granted new flexibility to transfer safety funds among the diverse safety programs administered by the Department if they develop performance-based, comprehensive, strategic highway safety plans.

SAFETEA would also increase State flexibility to administer funds by eliminating most discretionary highway grant programs and making these funds available under the core highway formula grant programs. States and localities have great flexibility and certainty of funding under the core programs, which better enable them to meet their own specific needs.

SAFETEA would establish a variable toll pricing program that would permit States, under certain conditions, to toll any highway, bridge, or tunnel, including facilities on the Interstate System, to manage existing high levels of congestion or reduce emissions in nonattainment or maintenance areas. The Value Pricing Pilot Program (VPPP), established under ISTEA and amended by TEA-21, would be repealed, but States could continue to operate under an existing VPPP agreement. SAFETEA also modifies the TEA-21 Interstate System Rehabilitation and Reconstruction Pilot Program to facilitate participation in that pilot program.

Surface Transportation System Performance Pilot Program. SAFETEA would establish a new highway pilot program intended to test the concept of a performance-based management approach in the obligation of Federal funding under the Federal-aid Highway Program. Under this pilot, up to five States could manage the bulk of their core formula highway program funds on a systematic, performance basis across the programmatic lines by which the Federal-aid Highway Program is normally structured. States would work with the Department to develop and meet specific performance measures that reflect both State and national interests. This program gives States more flexibility to make effective investments by focusing on program outcomes rather than program categories. Another benefit of this program is that it would authorize the Secretary to assign, and a State to assume, some or all of the Secretary's responsibilities under Federal laws or requirements. The State would be deemed to be a Federal agency to the extent the State is carrying out the Secretary's responsibilities under the National Environmental Policy Act (NEPA), title 23 of the United States Code, or other Federal law. This program would test whether allowing States to assume such responsibilities can lead to more efficient execution of the Federal-aid Highway Program. No separate funding is provided. This program is an experiment in the management and use of a State's regular Federal-aid highway apportionments.

Innovative Finance. We live in a time of significant budgetary constraints at all levels of government. In order to meet growing capacity and maintenance demands on our highway infrastructure with the limited resources available, we have sought to expand the scope of innovative financing programs. Our proposal introduces additional flexibility for innovative financing methods, so that States and municipalities can leverage the power of Federal funds and encourage greater private sector investment in transportation infrastructure. SAFETEA would permit State and local governments to issue tax-exempt private activity bonds for highway and freight transfer facilities. This would allow private entities to operate major infrastructure projects while maintaining the tax-exempt status of the bonds issued to finance the projects. These projects would also be excluded from State volume caps so that they can be advanced without displacing other types of projects eligible for exempt facility bonds. Access to government loan assistance through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program would be increased by lowering the program's project cost threshold from \$100 million to \$50 million and allowing rail freight projects to qualify for TIFIA assistance.

Workforce Development. We also recognize that the effective implementation of our policies and programs will depend on our ability to develop and maintain a skilled, technically competent transportation workforce. With transportation demand growing faster than available resources, technological innovation and the ability of transportation workers to apply those technologies will be critical to our success. The SAFETEA legislation would provide greater discretion for managers to use major program funds in the STP, NHS, Interstate Maintenance, and Bridge Program areas for workforce development, training, and education activities. We recognize that the workforce development, training, and education interest will compete with capital investment projects. However, allowing these funds to be used for these activities will enhance our ability to address this critical area, yet allow the States and individual program managers needed flexibility in addressing workforce development, training, and education needs. SAFETEA would also provide enhanced opportunities to support student interest and study in transportation disciplines by providing program managers with the discretion to use funds for internships, cooperative learning, and student outreach activities. With 40 to 50 percent of the transportation workforce eligible to retire in the next 5 to 15 years, we must begin to prepare in earnest for the next generation of transportation workers.

In addition, FHWA will continue to shift its focus to process improvements, working in partnership with the States to better integrate planning, environmental review, and project delivery processes. FHWA has recognized the need to develop a strategy for achieving a more multidisciplinary approach toward large project management and oversight. We will need a mix of disciplines to provide us with the strength and capability to carry out our program as we know it today, and to meet new challenges as they arise. Toward this end, funding requested in the President's FY 2004 budget would permit FHWA to hire twelve additional employees dedicated to providing a multi-disciplinary approach for oversight of major projects.

EFFICIENT

The Eisenhower Interstate Highway System and other Federal-aid and Federal Lands highways and roads provide efficient nationwide highway transportation for both people and goods. The result has been a quantum leap in the productivity and the competitiveness of our economy. But we are now at risk of losing that productivity due to bottlenecks in the system and a less than optimal operation of the system. As the gap between demand for transportation and the capacity of our transportation infrastructure widens, congestion becomes worse. When we take appropriate action to relieve congestion, we also improve the safety and security of our system and enhance our natural and human environment.

There is no quick and easy solution to the problem of highway congestion, but increased efficiency must certainly be a part of any response. SAFETEA would modify current law to make possible more efficient operation of existing facilities, improved intermodal connectivity and more efficient freight movement, more efficient and expedited project delivery, and greater efficiency in highway program administration at all levels of government.

Efficient Use of the Existing System. One of the more promising approaches in dealing with congestion, and a priority for FHWA, is improving the management and operation of the existing transportation system. Operating the system more efficiently and maximizing the availability of the existing capacity are viable and effective strategies to help improve traffic flow and meet growing travel demands. SAFETEA would establish the importance of management and operations.

The new Infrastructure Performance and Maintenance Program (IPAM) is aimed, in part, at supporting operational improvements to reduce recurring highway congestion. The IPAM program would be dedicated to funding projects that preserve existing highway facilities or improve their operation by alleviating traffic chokepoints. The program is structured for "ready-to-go" projects that can produce immediate improvement in system conditions and operation.

The new ITS performance incentive program would provide States with an additional \$135 million annually of financial incentives to support the use of ITS technologies to improve the operation of the transportation system in ways that directly benefit the customer. SAFETEA would also support the establishment of the nationwide capability to monitor, in real-time, the traffic and travel conditions on major highways. This would improve the ability of system operators to respond quickly to incidents and other disruptions, and provide transportation customers with the information needed to make smart travel decisions.

Research and Technology. SAFETEA would continue to foster the research, development, and implementation of innovative strategies and technological solutions that can improve the performance of the system. SAFETEA proposes \$726 million in funding for ITS R&D, representing a 20 percent funding increase over TEA-21. These technologies can be effective in increasing the available capacity of the system, but can also be used to develop innovative demand management strategies, such as time-of-day charges to permit single occupant vehicles to use excess capacity in HOV lanes. Our

proposal would also allow States to establish user charges on Federal-aid highways, including the Interstate System, if certain conditions are met. In addition, transportation systems management and operations research that contributes to congestion reduction will now be included as an integral part of our new Surface Transportation Research, Development, and Deployment Program activities.

Efficient Freight Movement. Efficient freight transfer networks are crucial to our economy. Recent estimates indicate that by 2020 import/export freight tonnage could increase by 85 percent and domestic freight tonnage by about 70 percent. In the interests of international freight security, quality of life around freight hubs, and the expected increase in congestion, our intermodal connectors must be prepared to accommodate the increased freight flow in an efficient and safe manner. In addition to improving the overall condition of the Nation's surface transportation network, SAFETEA would establish a new "Freight Gateways Program" to institutionalize freight considerations and increase investments in intermodal connector and freight gateway improvements, through a combination of eligibility changes, innovative finance emphasis, and targeted investment. Along with encouraging States to use innovative financing methods, through new eligibility for TIFIA and private activity bond financing to address freight gateway and freight intermodal connector needs, SAFETEA would dedicate a portion of NHS funds for highway connections between the NHS and intermodal freight facilities, such as ports and freight terminals, and allow the use of STP funds for publicly-owned intermodal freight transportation projects that address economic, congestion, security, safety, and environmental issues associated with freight transportation gateways. States would be directed to ensure that intermodal freight transportation needs are integrated into the project development process, including transportation planning, and to create a "freight transportation coordinator" position to facilitate public and private collaboration on regional solutions to freight transportation and freight gateway problems.

Efficient Environmental Reviews for Project Decisionmaking. To alleviate congestion and improve safety, we know that transportation improvements must be delivered as quickly as possible. Although the Department has made progress administratively to reduce delay in the environmental review area, we believe that additional legislative modifications are necessary and are proposing several key changes that, cumulatively, will make the review processes more efficient. We 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. We propose giving planning studies "standing" in the NEPA process, so they do not have to be recycled and recreated. Authority for Categorical Exclusion approvals would be delegated to the States. Our proposal would clarify, consistent with recent court decisions that adopt a balancing approach, the factors the Secretary shall consider for determinations under 49 U.S.C. 303 (former section 4(f) of the Department of Transportation Act of 1966) as to whether an alternative is "prudent and feasible." The current duplication between Section 106 of the National Historic Preservation Act and "section 4(f)" would be eliminated by allowing compliance with section 106 to satisfy section 4(f) requirements for historic properties. We would relieve the Interstate

Highway System from being treated as an historic property under the National Historic Preservation Act and 4(f), unless the Secretary applies Section 106 to individual elements. The Advisory Council on Historic Preservation and FHWA are working to achieve the objective of this section through an administrative exemption, using a provision of the regulations that implement Section 106. If we are able to make progress towards such an administrative solution, we will advise Congress that this additional legislation is no longer needed. We propose establishing a six-month statute of limitations for appeals on the adequacy of projects' environmental impact statements and other environmental documents to ensure timely filing of legal challenges. We would also expand the ability of States to provide Federal-aid highway funds to Federal agencies to expedite the environmental review process.

Environmental Enhancement. While making the environmental review process more efficient, SAFETEA also offers important proposals to protect and enhance the environment. Those proposals include: increasing funding for key environmental programs such as CMAQ and Scenic Byways; revising the CMAQ program to better address the new air quality standards, and to improve consultation with State and local air quality agencies; expanding and clarifying environmental eligibilities under core programs (including eligibilities for brownfields restoration, combating invasive species along roadways, and preservation of historic bridges for nonvehicular travel); encouraging the active consideration and implementation of context-sensitive design principles and practices in all Federally aided transportation projects; retaining the Transportation Enhancements Program as a 10 percent setaside of STP; creating a public-private surface transportation environment and planning cooperative research program to address longer-term systems effects; and establishing a new Transportation, Energy, and Environment program to carry out a multi-modal energy and climate change research program.

Transportation Planning. The transportation planning process can benefit from streamlining as well, to enable States and local governments to respond more quickly and more effectively to the needs of the American public. To improve the planning process, SAFETEA proposes combining the 20-year metropolitan transportation plan and 3-year Transportation Improvement Program into a single document; aligning the transportation and air quality planning horizons for purposes of transportation conformity; consolidating in one place in the statute the planning requirements for both highways and public transportation; and establishing a "Planning Capacity Building" initiative, which will foster needed improvements in planning through peer-to-peer exchanges, training, workshops, research, and outreach tools. In addition, we are proposing accelerated deployment of the advanced transportation model known as the Transportation Analysis Simulation System ("TRANSIMS"), to assist State and local governments in transportation planning and air quality analysis, and support the development of methods to plan for the transportation response to chemical and biological terrorism.

Design-Build. Experience with design-build has shown this to be a successful approach for moving projects more rapidly through the construction process. We have

sought to encourage expanded use of this innovative contracting method by eliminating the minimum dollar requirement for projects to qualify.

Program Administration. SAFETEA would make a series of modifications for more efficient delivery, at both State and Federal levels, of the programs administered by FHWA. We propose simplifying the requirements related to the Federal share of highway funding; allowing in some cases the use of Federal funds for early acquisition of critical real estate parcels; simplifying and expediting acquisition of right-of-way on behalf of State DOTs; extending to 25 years the period for designation of routes as future Interstates to provide States ample opportunity to complete construction before losing future Interstate status; easing requirements for use of advance construction funding; and other similar program administration improvements and clarifications.

EQUITY

Equity can be defined as something that is just, impartial, and fair. The term can also mean the value of property beyond any liabilities. Provisions in SAFETEA reflect both definitions.

Funding Equity. SAFETEA proposes a responsible and sustainable investment in our highway programs, builds upon the substantial funding increases under TEA-21 and, most importantly, continues the critical linkage of highway spending with highway trust fund receipts, established under TEA-21. It is fair and equitable that fees paid for highway use should be returned to the fee-paying traveling public in the form of improved highway infrastructure and operations. Because initial funding levels for the highway program are based on estimates of receipts at the time the program is authorized, there must be an annual mechanism to reconcile program level and actual receipts or new estimates for the link to be meaningful. The Revenue Aligned Budget Authority (RABA) mechanism of TEA-21 provided such a means. SAFETEA proposes to continue RABA, but to modify the formula for calculating the funding adjustment to avoid the large year-to-year swings experienced in recent fiscal years.

The Administration also believes that it is equitable to redirect 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. This provision could augment revenues by more than \$600 million for each year of the reauthorization cycle--funds that would only be available for obligation on highway projects.

SAFETEA would continue the minimum guarantee funding levels for States defined under TEA-21 which provide greater equity among States in Federal funding.

Preserving Public Equity in Infrastructure. Equity also means the value of property. It is the responsibility of the Department of Transportation to protect the public's equity in surface transportation infrastructure. With the Interstate System now substantially complete, FHWA has placed new emphasis on system preservation and on asset management.

SAFETEA proposes new funding eligibilities to help States preserve their existing facilities. For example, SAFETEA would give States more flexibility to effectively invest their Bridge Program funds by expanding eligibility to include preventative maintenance activities. The Discretionary Bridge Program would be eliminated in favor of apportioning all funds by formula to the States, which allows them to identify the projects most urgently in need of funding.

The IPAM program, discussed above, would provide \$1 billion each year to help States protect the equity in their highway infrastructure.

Each year over 900 million visits are made to National parks, forests, and wildlife refuges. Through our Federal Lands Highways program we provide funding to maintain and responsibly improve access to these areas. SAFETEA includes a dramatic increase in funding for the Park Roads and Parkways Program as part of the President's commitment to improve the facilities and roads in our National Parks. The bill would increase funding from \$165 million under TEA-21, to \$300 million in 2004, \$310 million in 2005, and \$320 million annually through the remainder of the bill. A substantial maintenance backlog has built up in our system of park roads and parkways, and the increased funding proposed in SAFETEA is a critical piece of the Administration's overall plan to restore National park facilities to good condition.

Funding proposed under SAFETEA for the Surface Transportation Research, Development, and Deployment Program would also contribute greatly to advancing our asset preservation efforts. The proposed \$199 million per year funding would be, in part, used to fund efforts dealing with highway pavements and bridges/structures. Our program focuses on research, deployment of innovative technologies, and long-term assessments in each of these two areas. Topics covered will include development of new, cost-effective, innovative highway pavements and bridges; construction techniques to increase safety and reduce construction time and traffic congestion; reduction of maintenance costs and life-cycle costs of pavements and bridges, including the costs of new construction, replacement, or rehabilitation; and the development of highway pavements, bridges, and structures that will withstand natural disasters and terrorist attacks. And, as I have noted previously, this work will also contribute significantly to improving safety and reducing congestion.

CONCLUSION

These are challenging times for the Department of Transportation, the Congress, and the entire transportation community. We must work together for enactment of surface transportation programs that will maximize resources for improved surface transportation safety, while improving infrastructure conditions and operation.

By establishing a new core highway safety program, SAFETEA places the greatest emphasis on and directs greatly increased funding to the States for highway safety. SAFETEA would continue and refine the successful programs developed under ISTEA and TEA-21, establish carefully targeted new programs, and authorize a sustainable level of infrastructure investment. SAFETEA would strengthen accountability for Federal funds; add new efficiency and flexibility for project delivery, program administration, and innovative financing; provide an equitable return on

highway user fee investments; and protect the American taxpayer's equity in transportation infrastructure.

I am optimistic about the future of our transportation system and I am confident that the Administration's reauthorization proposals will lead to greater safety on our highways.

I look forward to working with you to enact SAFETEA.